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29 January 1985

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## ARMENIAN AFFAIRS

### ARMENIAN PAPER: OPENING OF TURKISH ARCHIVES 'REQUIRED'

GF031506 Beirut ZARTONK in Armenian 17 Nov 84 p 1

[Editorial: "From One Symposium to the Other, the Opening of the Archives is Required"]

[Excerpts] In order to deny the fact of the Armenian genocide and the righteousness of the Armenian demands before their own people and international public opinion in recent years the Turkish Government and intellectuals have multiplied their anti-Armenian propaganda on various levels. Moreover, recently they have increased their efforts to influence the historian circles.

Parallel to their propagandist and diplomatic anti-Armenian activities throughout the United States and Europe, the Turkish Government and the intellectuals supported by them are organizing "scientific" seminars, sessions, and proceedings inside and outside the country in universities, and by the press and television. The basic purpose of all this is always the same: To deny the fact of the Armenian genocide, refute and declare unfounded the historic rights of the Armenians, distort history, and through the adoption of the principle "attack is the best defense" declare the Armenian people genocide perpetrators and terrorists and hold them responsible for the "killing of hundreds of thousands of Turks." However, there are other purposes hidden behind these efforts. They are the following:

1. To give a "scientific" characteristic to the anti-scientific and anti-historic Turkish proceedings.
2. Influence foreign intellectual circles by creating an opinion among them that not only the Turkish Government but also the Turkish scientific circles consider the Armenian demands unfounded.
3. Through holding "scientific meetings" in higher education establishments, influence the country's students--Turkey's future intellectuals--and impress them with the line of professors parading before the podiums, and most of all to counterbalance the questions of the new Turkish generation with regard to the Armenian issue.
4. To advocate to the Turkish masses that the Turkish scientific mind also considers the Armenian demands unfounded.

5. To counteract the scientific meetings on oriental sciences organized in the Balkan countries and the Soviet Union in recent years, particularly a recently adopted decision at a meeting in Moscow, which planned to hold future scientific meetings on the Ottoman empire in Yerevan.

The most representative of such "scientific meetings" or "symposiums" was the one held a few months ago in Ankara University participated in by Turkish historians and foreign, particularly American, experts. However, the most characteristic is the one which was held between 8 and 11 October in Karin (Erzurum) in "Ataturk" University, with the participation of Turkish professors, political personalities, and officers, which was given much coverage in our newspaper in its 14 November issue and which is referred to by our colleague in this article.

The convention of this 4-day "symposium" in Karin, which was relayed by the Turkish television, is characteristic because Karin represents the center of the northeast shield of NATO. It is also the center of Turkey's anti-Soviet and anti-Armenia striking power and the center of its main military concentration. Based on this point and taking into consideration the anti-Armenian statements of General Kenan Evren last year in Kars, Artvin, Van, and Mush, the real purpose of those who held this "symposium" becomes clear. It is to show that the Turks are ready to use all kinds of local and international tools when the matter concerns the international recognition of the Armenian genocide and demands.

We did not see anything new in the reports read during this "symposium." The same sour accusations were repeated, which is that the Armenians were the ones who massacred the Turks, that the Soviet Union is the one that raised the Armenian question in order to "destroy Turkey," that France also has a "hand in this issue," that England has not remained neutral in it, and so forth. However, only one opinion expressed by the Turkish orators was notable, and that it is necessary to open up the archives on the Ottoman period before the researchers.

Certainly, it would have been naive to believe that the Turkish professors were seeking the historic truth by demanding the opening up of the archives. Those scientists, who are supported by the Turkish Government, have never given any proof until now on their love of justice and scientific truth to give us expectations of this kind. And there is no reason to assume that the Turkish historians will from now on change their attitude and display honesty and courage of a scientist.

However, behind their demand is another truth that makes itself clear; that is, the Turkish Government does not even trust its own intellectuals with its own archives. Or else, until now, it would have opened those archives a thousand times before them, particularly if it was sure that those archives will not play the role of a boomerang against it.

Nevertheless, we the Armenians have many reasons to agree with this one demand made by the Turkish professors, and for the sake of the institution of justice, demand the opening up of the Turkish archives in whatever condition they are in.

EDUCATIONAL, CULTURAL, SOCIAL STATUS OF ARMENIANS IN GREECE

Tehran ALIK in Armenian 3 Dec 84 pp 5,6

[Text] Our sister paper in Buenos Aires, ARMENIA, has interviewed Harutyun Sarajian, an Armenian community leader in Greece who was on a touristic visit to Argentina.

The Armenian community in Greece, like other communities in the Middle East, became one of the principal building blocks of the diaspora after the genocide. The community deeply suffered and its numbers were decimated during World War II and the subsequent civil war in Greece. Despite those setbacks, however, the community remains alive today with its press and cultural and organizational activities.

Below we present the principal segments of ARMENIA's interview with Harutyun Sarajian:

[Question] Mr Sarajian, considering that a substantial number of Armenians emigrated from Greece after World War II, can you give us a rough picture of the size of the community and its geographical distribution?

[Answer] The 5-year civil war that began immediately after World War II and the ensuing political and economic uncertainty led to the emigration of a sizeable number of Armenians to distant countries, such as Argentina, Canada and the United States. That emigration substantially reduced the strength of our community.

Today there are about 9,000 to 10,000 Armenians in Greece. Of these, 7,000 to 8,000 live in the Athens-Piraeus area and about 2,000 live in Thessaloniki and northern Greece.

[Question] What was the proportion of the emigres to the size of the community? Where have the emigres settled?

[Answer] Approximately 22,000 Armenians emigrated from Greece. Of these, 13,000 departed for Soviet Armenia in the period 1946-1947 and about 9,000 of the rest left for North America, Argentina, Canada and Australia during the period 1949-1950.

[Question] Is there an emigration movement or a disposition for it today?

[Answer] I am happy to state that Armenians in Greece today are not in any way inclined to emigrate mainly because living conditions have improved substantially and the Armenian community has been granted full citizenship privileges.

[Question] Are there any Armenians from other Middle Eastern countries who have temporarily or permanently settled in Greece? If so, what reception do they get?

[Answer] As a result of wars and political turmoil and uncertainty in Middle Eastern countries, numerous Armenians temporarily settled in the Athens area. Most of them have left for North America, while the rest are planning to return to their homes as soon as the situation in Lebanon improves. As for our stance, our organization opposes emigration from the Middle East, and as a result we never encouraged these Armenians to settle permanently in Greece.

[Question] What is the state of cultural and educational life in Athens and other areas? What are the principal problems and successes?

[Answer] The cultural life of Greek-Armenians proceeds normally despite all the existing difficulties thanks to the leadership of the Hamazkayin Cultural Association which organizes plays, choral performances, art exhibitions and Armenian literature readings.

We have two full-time schools: the Levon and Sofia Hagopian school and the National United Zavarian school. The two schools have 260 students. Our community is deeply concerned about the growing expenses of the schools, but in view of the salvational role played by our schools in our communities, we are making every sacrifice to preserve them, always remembering that it is the students who graduate from Armenian schools who will become the driving forces of our national and religious life.

[Question] We have noted lately that there is a fervent youth movement in Greece? What do you attribute this fervor to?

[Answer] I believe that this productive youth movement is evident in all communities of the diaspora, and the Greek-Armenian youth could not remain indifferent. All this must be attributed to the enthusiasm that has been created within the framework of the Armenian Cause and the various related activities which are progressively expanding. Our youth takes leading positions in these activities with its belief in the justness of our cause. They want to see the fulfillment of our people's just demands by all and any means.

[Question] What efforts are being made in general to promote the Armenian Cause?

[Answer] We are working on several fronts to promote the Armenian Cause. For example, in April we organized a press conference for the local and foreign press, we published several booklets and distributed them in various parts of

Athens and we visited several government and political leaders. Representatives of all political parties and parliamentary deputies are regularly invited to the commemoration of the April genocide to which we have given a fully political character. Those invited speak at the ceremonies and cite the rights and the just demands of the Armenian people. After the observance march, a demonstration is staged in front of the Turkish embassy, and later wreaths are placed at the Tomb of the Unknown Soldier.

[Question] What is the attitude of the current Greek authorities toward the Armenian community and the Armenian Cause? How does the Greek public receive our anti-Turkish propaganda?

[Answer] The current authorities have continued the friendly and accomodating stance of their predecessors toward the Armenian community. As for their stance with regard to the Armenian Cause, that naturally depends on the relations between Greece and Turkey.

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CSO: 4605/51



ARMENIAN DIOCESE IN IRAQ ISSUES STATEMENT ON WAR WITH IRAN

GF031531 Beirut ZARTONK in Armenian 5 Dec 84 p 2

[Statement of the Armenian diocese of Iraq, issued in Baghdad--date not given]

[Excerpt] Honorable compatriots, the war continuing for the past 4 years between the governments of our fatherland Iraq and neighboring Iran, as well as the various calls of our government and its president, Saddam Husayn, for its end, and the creation of a just and final peace, unfortunately, remain futile. Driven by these concerns the Christian clergymen of the country consider it their duty to give their practical assistance on a religious level to this humane and peace-loving work.

On this occasion a delegation was formed, chaired by Supreme Chaldean Patriarch Paul B. Shiko. The other members are:

Archbishop Hava, leader of the Syrian Orthodox community in Baghdad and Basrah.

Archbishop Matti Shaba Matoka, leader of the Syrian catholic community in Baghdad.

Archbishop Asadurian, leader of the Armenian diocese in Iraq.

The following is the statement of our holy archbishop in this regard.

"Our delegation, comprised of a number of leaders of the Christian community, visited the Vatican and Geneva between 1 to 10 August 1984, respectively visiting the Holy Pope and the secretariat of the International Council of Churches. In the above-mentioned two religious centers, the Iraqi Christian communities delegation explained the purpose of its visit and declared that we have come to pray for the peace of the whole world and to work for the sake of strengthening peaceful coexistence between Iraq and Iran.

"In this way, once again the peace-loving spirit of our country was stressed, based on principles of justice and mutual respect. The time has come for the movement of the conscience of mankind and the peace-loving governments to use constant efforts to put an end to the destructive war between Iraq and Iran.

"As in the past 4 years, today our fatherland is ready to welcome a just and stable peace. From the depths of our hearts we call on the assistance and

intervention of the Holy Pope and the International Council of Churches in favor of peace.

"We are glad to say that the Holy Pope and the secretariat of the international churches council heard us with deep interest and expressed satisfaction over the information given."

The delegation of Christian communities properly executed its duties and returned to Baghdad on 10 August.

CSO: 4605/70

BEIRUT DAILY COMMENTS ON TURKISH AMBASSADOR'S STATEMENT

GF060646 Beirut AZTAG in Armenian 18 Dec 84 p 4

[Editorial: "Not a Single Solution"]

[Excerpts] The Turkish leaders are obviously dissatisfied with their western allies.

It seems that Turkey is not able to reconcile the fact that attention is being paid to Armenian demands in countries such as France and the United States.

The Turkish Government does not even accept the fact that leading western circles are paying tribute to the victims of the Armenian genocide in spite of their full support for Turkey.

Recent evidence of this furious Turkish reaction was witnessed last September when the U.S. House of Representatives unanimously adopted resolution no 247 to declare 24 April 1985 "the national commemoration day of inhumanity of a human being against another human being.

In spite of the fact that President Reagan and officials at the U.S. State Department immediately intervened and squashed the decision before it reached the Senate, Turkish diplomacy does not seem satisfied and is demanding a more obvious anti-Armenian stance from the U.S. Government.

Sukru Elekdag, Turkish ambassador to the United States, became the official spokesman of this Turkish arrogance when on 4 October he publicly declared in Washington that "the efforts of the moderate Armenians who are trying to achieve their goals through peaceful means are not accepted."

By this statement which was addressed to the American public in general, Elekdag was simply demanding from the officials who attended the meeting "to defend Turkey in the U.S. Congress with more effective means."

Richard Burt, U.S. assistant secretary of state for European affairs, who heard Elekdag's speech immediately said that his government had already opposed the decision of the House of Representatives and said: "There should be no doubt about our commitments. We will carry out our obligations toward Turkey if there is a threat against its security."

Such a clarification by Burt is ironic because it fails to resist this conspicuous Turkish intervention to suppress the U.S. public opinion and it also opens a large door to Turkish arrogance.

Evidently the Turkish Government has also become less condescending in its public comments. It has already revealed its position and deems it unnecessary to use diplomatic methods.

It does not want the West to differentiate between terrorist operations and the peaceful Armenian demands by condemning the first and declaring the second unacceptable.

Turkey is demanding that the United States officially obstruct the revival of the Armenian question in any way.

Elekdag did not mince words and in his speech he said: "The Turks do not accept the concept of 'peaceful' dissection of their fatherland."

In reality Elekdag is only reflecting the known attitude of the fascist Turkish leadership during the rule of criminal Tal'at according to which an Armenian question does not exist.

Even Evren, who in the recent years was cautious in his official statements reserved for international public opinion and used to advocate the idea of differentiating between Armenian terrorists and peaceloving Armenian, began to show his arrogance and fascist disposition by threatening that every attempt to split Turkey will be drowned in blood.

There is no doubt that in no time and in no way has Turkey accepted the requests of its western allies which condemn the pursuit of the Armenian rights through force and advise legal and peaceful methods to restore rights.

It seems that according to the Turkish government's accounts the time has come for the West to officially agree with the Turkish point of view which denies the existence of an Armenian question under any circumstances. In his declaration, the Turkish ambassador put this official demand to President Reagan and all western leaders.

Even the U.S. Government, which is giving way to Elekdag's threats, cannot evade its responsibility for finding a solution to the Armenian cause when for years it has been making official and unofficial efforts in order to defer the Armenians from a bloody national liberation struggle. It has viewed the Armenian demands as a political issue.

If there is a question of paying a price and if the price for the Turkish arrogance will be paid by cooperating with the big countries in closing every door to a solution for the Armenian cause, then the big countries and the Turkish Government should be ready to pay the price of their shortsightedness in driving certain elements of the Armenian youth toward extremism.

The dismay behind Elekdag's declaration is for the time being a sufficient indicator of Turkish shortsightedness and racism. It is necessary to continue demands for a solution in the political world. The struggle must always keep the door of justice open by maintaining the Armenian people's unswerving determination.

ARMENIAN AFFAIRS

ARMENIAN GENOCIDE ASSEMBLY ISSUES STATEMENT

GF060606 Beirut AZTAG in Armenian 27 Dec 84 p 3

[Statement by the national assembly of the survivors of the 70th anniversary of the Armenian genocide--date, place not given]

[Text] In the period 24-28 April 1985 hundreds of survivors and thousands of people will assembly in Washington to participate in an enterprise which by its presence and profound significance will be one of the most unique events in the history of Armenians in North America.

The central concept of the convention will be the miraculous survival of the Armenian people, their rebirth and constant growth throughout the world. Each activity organized within this framework will symbolize the abovementioned concept with its nature or context.

This varied 5-day program, which enjoys the direct patronage of the North American Cilician diocese of the Holy Apostolic Church of Armenia, is organized by the Armenian national body with the participation of a number of Armenian organizations. A large number of prominent foreign personalities have already given their moral support to this enterprise and have accepted invitations to be guests of honor at this convention.

Exhibitions, Armenian films, concerts, meetings, ceremonies dedicated to the genocide victims and particularly to the genocide survivors, youth seminars, lectures, and various other activities will be held within the framework of the convention. The details of this program will be reported regularly.

The participation of a large number of survivors will further add to the splendor of this enterprise and at the same time will invite the attention of public opinion and political circles.

At this important stage which is a turning point in the existence of the Armenian people, the 70th anniversary activities can give further inspirations and guiding principles.

[Signed] The National Assembly of the Survivors of the 70th Anniversary of the Armenian Genocide.

BRIEFS

BOMB DEFUSED IN CLUB--The Armenian Tashnak Party club in Tripoli was rescued from a disaster yesterday morning. While the female members of the Lebanese Red Cross Society were gathered in the club for a meeting, the janitor of the club noticed a time bomb in the meeting hall. Fortunately, a military expert succeeded in defusing the bomb before it exploded. [Text] [Beirut AZTAG in Armenian 29 Nov 84 p 1 GF]

CSO: 4605/71

DOMESTIC WEAPONS INDUSTRY REVIEWED

Kuwait AL-'ARABI in Arabic No 314, Jan 85 pp 36-54

[Article by Munir Nasif: "The Arab Weapons Industry"]

[Text] "All nations want peace. There isn't a single nation on this earth that wants war. There isn't a single nation that wants to kill and be killed. Why is it then that wars break out?"

British author H.G. Wells wondered about that in talking about his book in which he predicted that many of the weapons we see today, including the atomic bomb, would be invented. Wells hoped he would die before seeing or hearing about the splitting of the atom. But Wells' wish did not come true. He lived till after the end of World War II. When he was told what "the extinction bomb"--as he called it--had done to the people of Hiroshima and Nagasaki, he wept with sorrow at humanity's gloomy prospects. Having lived through two world wars, World War I and World War II, and having described the grief and sorrow that people felt, the learned author died in 1946, praying to God to save the world from destruction.

But Wells, who was born in the last third of the 19th century and lived till almost the half of the 20th century, was not able to find a persuasive answer to his question: "Why do wars break out when all the nations do not want them?"

Occasionally Wells would be satisfied with a philosophy of life that has prevailed since life began. Wasn't life a struggle for survival?

Message to the Arab Nation

These were my thoughts as we came to the end of our visits to the weapons factories in the Arab Republic of Egypt. We had an appointment with the man who is responsible for the weapons industry in Egypt, the minister of war production, Dr Engineer Jamal al-Sayyid.

I said, "We had a quick tour of the factories where weapons are produced in Egypt. During this tour we saw how much progress has been made in this industry. I wonder, what is the message that AL-'ARABI can convey to the Arab nation about the military production policy?"

The minister replied, "Egypt is an inseparable part of the Arab nation. We have

to think about this fact as we manufacture weapons and consider everything that has to do with our future and our destiny. Equipment for defense is subject to the control and policy of the state because it is strategic. It is difficult for any state to provide everything it needs to defend its territory and its soil. We may find the cooperation between European countries a model whose example we may wish to follow. For example, the three principal countries in Europe--Germany, Britain and France--cooperate with each other. In my opinion, we must have such cooperation between fellow Arabs so we can have all the weapons we need to defend our nation due to integration and cooperation between Arabs."

"But is the weapons industry our only means for achieving national security," I asked.

The minister replied, "National security comprises food security, political security and military security. There are two fundamental needs that are listed first among strategic subjects. The first one is food, and the second is defense equipment. These two factors control the decision-making process. Actually, they form the basis for the decisions that are made by any country."

#### Weapons and Food

This may have been what George Washington, the man who liberated America, had in mind. He was a British farmer who emigrated to the New World and led the War of Independence against British colonialists. At that time George Washington said, "I do not want to see any of my soldiers carrying only weapons. I want to see my soldiers carrying a gun in one hand and an ear of corn in the other. A soldier cannot go on fighting on an empty stomach."

In his literary masterpiece, "War and Peace," Tolstoy talks about the land and says, "She was kind; she has been giving us all the food we need despite the fires that were being ignited by Napoleon's artillery firing at Russia's countryside and cities. It was hunger that defeated the armies of Napoleon; our soldiers, however, could always find food at the end of a day of nonstop combat."

The minister of war production went on to say, "The Arab nation is a nation that wants to live in peace, but peace without power becomes capitulation. Such a peace would be unstable and would not be true peace. True peace is peace that relies on power and on the ability to defend the land. This is what we are after. We are looking forward to the day when integration among the Arabs is achieved. We would then see part of a tank manufactured here in Egypt, for example, while another part would be manufactured in another Arab country. Still a third part would be manufactured in Iraq or Saudi Arabia, and so on."

#### A Quick Tour

Let us go back to our review of the weapons industry in Egypt. We had a quick tour that started where it had to be started, with a meeting with the man who has the primary responsibility for defending Arab territory in Egypt: Field Marshal Muhammad 'Abd-al-Halim Abu Ghazalah. Field Marshal Abu Ghazalah issued orders granting AL-'ARABI Magazine, the magazine for all Arabs, access to all the military factories. [After all], just as Egyptian weapons were for all Arabs, AL-'ARABI Magazine was a magazine for all Arabs.



Having been given the green light, we drove in a private car one warm afternoon on our way to the Abu Za'bal Company for Engineering Industries, the foundation of heavy military industries [in Egypt]. The warmth of that afternoon was underscored by the warm feelings manifested by the men who are engaged in producing and overseeing the production of equipment to defend the good Arab soil.

The company is located in a remote spot on the outskirts of Cairo, standing on the hot desert sand which gradually hid behind the greenery--and green is the color of life--of a high wall of tall, leafy trees that temper the heat of summer. It is there that the factory which produces 203 millimeter caliber heavy artillery guns and all kinds of 8-meter gun barrels was built.

#### A Gun Compound

This was a huge compound occupying a large area of land that was over 120,000 cubic meters (about 28 feddans). It was built by Arab Contractors and furnished with the most modern equipment to produce heavy weapons needed by the armed forces, as well as spare parts for those weapons, and to integrate the processes of manufacturing weapons and ammunition for those weapons. It is with such integration that circumstances conducive to exporting these products to foreign markets can be achieved. Exporting these weapons to fraternal and friendly countries defending their territory and their sovereignty has actually begun.

We spent several hours noting operations and phases of these operations at the company's factories. [We saw] scores of equipment operated by over 2,000 workers and engineers: equipment for cutting, operating, shaping, welding, measuring and testing metals. The work goes on continuously. At the end of our tour we met with Chairman of the Board, Engineer Jalal-al-Din Hamzah. He was getting ready to go to a ceremony that was being held to recognize the company's efforts by granting it a production and excellence award which it had won. Engineer Jalal-al-Din Hamzah said, "We will do everything we can, regardless of the cost, to ensure that weapons are available. We do not want anyone to control our destinies and our futures. We look forward to the day when weapons and military ideology will be standardized. We would then see the same weapons in the hands of all Arabs. But this will not come about before unity of the Arab rank is achieved. We do not manufacture weapons for war; we manufacture weapons for peace. We manufacture weapons so we can repel any attack on our land and our sovereignty."

Engineer Jalal Hamzah left his office, and we went with him; he walked ahead of us. Then he pointed to a huge vacant lot in the desert and said, "Here in this place a new residential community will be built for the engineers and workers and their families. The number of workers in the factory will be doubled. After expansions are completed in the near future, God willing, we will have a full work force of 4,000 workers."

Engineer Jalal Hamzah went on to say, "The company's heavy industry resources are undoubtedly contributing to the establishment of a solid foundation for heavy military industry. On the basis of that foundation we can move forward in stages to establish an armored vehicle industry. We would begin by manufacturing light vehicles, and we would eventually manufacture heavy ones. Even if this new industry were to be separated from the company in the future, we would continue

making a sizable contribution to its components. Manufacturing heavy weapons requires special kinds of high-precision instruments. Quality control is carried out in the course of production operations and assembly stages by following special methods which ensure precise dimensions and quality operations. Finally, marksmanship tests are conducted on the guns to ensure their suitability."

The sun was setting as we began our trip back to the city and as we began getting ready for a new day with Arab weapons.

#### The Arab Industrialization Authority

We had an appointment the following morning at the Arab Industrialization Authority. This is the authority that was established in 1975, almost 2 years after the October War, with a capital of 1.04 billion U.S. dollars. The main purpose for establishing that organization was to lay the foundation for an industry that can establish advanced industries and help them grow and develop. The main activities of the authority have been focused on numerous areas of specialization. These include different kinds of airplanes, including aircraft for training and helicopters as well as aircraft engines and maintenance, repair and overhaul operations for different kinds of aircraft engines. The authority has also focused its attention on unguided and guided missiles, land equipment and special electronic devices for that equipment, special electronic devices for airplanes and electronic devices that are used in the armed forces' ranks, as in the Signal Corps, in armored vehicles, in jeeps and in other ranks and vehicles.

In the auditorium of the huge elegant building that is occupied by the Arab Industrialization Authority we had our first encounter with the most recent production of the Egyptian Aircraft Factory whose workers have had 30 years of experience in that industry. In that encounter, which was via the television screen, we saw the advanced French training aircraft, Alpha Jet. An agreement had been reached with the French Marcel Dassault Company and the SNECMA Company to produce the body and the engine for the aircraft in Egypt. These airplanes would then be turned over to the Dassault Company which would then turn them over to Egypt's air force in accordance with world specifications.

#### At the Airplane Factory

We began our tour of the airplane factory where we saw the different stages of production on location. Special parts of the body of the aircraft and its jet engine were being produced. This is not just an assembly operation; it is also--and that is what is most important--a manufacturing operation in the course of which over one third of the parts for the aircraft are manufactured.

Engineer Ahmad Ihsan Haybah, chairman of the board of the airplane factory said, "The factory has actually received the endorsement of France's government inspection agencies. All manufacturing and assembly operations for these airplanes will be completed here. This means that this factory, like any other airplane factory in France, will be subject to the special control of these agencies at all times. That will naturally inspire total confidence in what the factory produces since what this factory produces will be identical to what is produced by airplane factories in France."

"What are the advantages of the Alpha Jet airplane?"

"This modern airplane, which can fly at speeds as high as 1,000 kilometers an hour and at altitudes as high as 45,000 feet above sea level, can fly for three and a half hours at high altitudes. At lower altitudes it can fly for one hour less.

"It is not just a training aircraft; it is also a fighter airplane that can be furnished with a gun and bombs and sensitive devices to pinpoint the distance of targets. Using lasers is preferred."

#### Nine Production Units

There are nine production units at the Arab Industrialization Authority. Among those nine units five are totally owned by the authority; and there are four companies that were established on a partnership basis between the authority and a few foreign firms that specialize in different areas. These include an airplane factory, an engine factory, the Saqr Factory and the Qadir Factory. The last two factories were designated for advanced industries. Besides, there is an electronics factory. Finally, there are three Arab-Anglo companies for helicopters, engines and dynamic industries, and there is an Arab-American automobile company.

Our next tour was at the Arab-Anglo company for helicopters. This company was established in February 1978 for the purpose of manufacturing helicopters in Egypt; it does not merely assemble parts of the aircraft.

The company was the product of a cooperative effort between the Egyptian, British and French governments. Agreements made between the Egyptian and foreign parties stipulated that Gazelle helicopters would be purchased provided the French Aerospatiale Company would turn over some phases of the production process to the factories of the Arab Industrialization Authority. Assembly operations and land as well as aerial tests for the aircraft were to be conducted at the authority's factories in Egypt.

#### The Armored Vehicle Fahd [boxed insert]

As produced, the design of the vehicle provides numerous advantages including, for example: an ability to travel on all kinds of difficult terrain; an ability to pass through despite obstacles; an ability to travel easily on sand and over moving and collapsing sand dunes; and also an ability to travel in hot and dusty climates.

Modern welding technology used at the plant has made production of the vehicle from armored steel possible. Methods that provide a high level of uniform protection in all parts of the vehicle and at welded spots are utilized.

#### This Is Only the Beginning! [return to text]

This small modern airplane may be used to do several things. It can perform the functions of in-flight command, commando functions and air surveillance. It can direct artillery fire and the movement of VIP's. It can be used as a flying

ambulance, and it can be used to evacuate the wounded. It can engage in combat against tanks, and, finally, it can carry out all kinds of air reconnaissance. It can be equipped with defensive guns and missiles, and it can fly at speeds up to 310 kilometers an hour and at altitudes as high as 6,000 meters (18,000 feet) above sea level.

Are we through talking about airplanes and airplane factories? The chairman of the board said, "This is only the beginning, and we have begun. We will have many other projects, God willing, to manufacture new airplanes."

I recalled the rest of what Engineer Jamal al-Sayyid, the minister of war production had said when we went to see him. The minister said, "The airplane industry requires feeding industries from numerous companies in the different countries of the world. Egypt is now engaged in many of these feeding industries."

What Are Feeding Industries?

What does this mean?

An engineer who is an official at the airplane factory told us, "Our involvement in airplane manufacturing operations enabled us to find out what the basic needs of this industry are. Let's take the Alpha jet as a concrete example, since it represents the ultimate stage of development in this industry. We listed the component parts of this airplane and the companies that provide these component parts, and we found out that there were about 44 specialized companies that are directly involved in supplying the component parts for the body of the aircraft. More than 15 other companies, for example, are involved in manufacturing the lower wheel of the airplane.

"We would find the same thing if we were to list those companies that are involved in producing the engine and the companies that are involved in producing other armaments equipment such as guns, missiles and remote sensing devices. We would find that the number of these companies may exceed 400. All these companies are engaged in what we call feeding industries. Hence we find that the resources that have to be available for establishing an airplane industry on strong foundations are beyond the capabilities of any Arab country, no matter what its resources are. Even if all the resources of the Arab countries were brought together to lay the foundations for that industry, we would not be able to achieve the results that we would hope to achieve in less than 30 years.

"Why then should we wear ourselves out doing something we cannot do?" The engineer who is a company official answered his own question and said, "We feel that we must depend on ourselves in producing these strategic industries. If loyal managers are available for such advanced industries, these managers will have to be available all over the Arab world because, as we mentioned, the requirements for these industries are beyond the resources of any one country."

At the Missiles Factory

As we toured the divisions of the Saqr [Hawk] Plant for Advanced Industries (or for missiles), our escort said, "Anyone who reviews operations at the units of

production could imagine that war will break out tomorrow. But we are producing weapons for defense even though the ultimate outcome is the same: wars are always imposed on nations. There isn't a single nation that wants war. However, ever since war has been known as a means for settling disputes between segments of humanity, each party involved in combat has been trying to create a strike force that would enable it to win battles and impose its dominance over the enemy. For this purpose a means or a weapon to resist the hostile force and limit its effectiveness had to be found. In the past the cavalry was that strike force because it had the ability to penetrate enemy lines and advance rapidly behind enemy lines.

"Also in the past the weapons that were used to defend and protect the infantry from fierce cavalry attacks were slingshots and arrows. Then military sciences developed, and the cavalry became what is now known as the armored corps: it has tanks and mobile strongholds with a strike capability. The combat role of tanks has grown since World War II, and combat tanks now play a principal role in winning land battles. Tanks will continue to play that role in the future regardless of the kind of war in which any nation may become engaged."

#### The Tank Is Enemy Number One!

The engineer went on to say, "Thus, combat tanks became the infantry's number one enemy on the battlefield. Hence an interest developed in supplying soldiers with special defensive means that would enable them to fight effectively against enemy tanks of different weights. Such means would occasionally give soldiers the ability to do without the support of the army's armored vehicles, the vehicles of that army to which they belong and in whose ranks they fight.

"As a result all general staff departments in different armies have expressed their need to acquire various kinds of anti-tank weapons. These would be in the possession of infantry soldiers who would use them to respond to principal requirements and needs. Chief among those needs is that of having an effective power to destroy tanks regardless of the strength of their armor and their weight and their ability to hit their target and engage the enemy at long or close range, and also within the tank's 'dead zone.'

"It is essential that these weapons be small and light weight so they can be easily and quickly moved and hidden from surveillance and tracking devices. These weapons must have the capability for being put to use quickly so they can be ready to perform in different kinds of terrain and battlefields. Finally, learning to use these weapons and maintain them must also be easy."

#### Missiles

It has actually been possible to manufacture kinds of anti-tank missiles to meet those needs. These missiles are divided into two basic groups. The first is a group of unguided missiles. These missiles do not have any guidance system [that operates after the missiles are launched]. To hit their target they rely on the marksman's competence and on the precision of the marksmanship devices that are available in the launching devices that are being used. The structural design of these missiles makes them balanced during flight, and that reduces their deviation from the required course. These missiles are divided into three principal kinds: short range missiles, up to 200 meters; medium range missiles, from 200 to 500 meters; and long range missiles, that is over 500 meters.

The second group of missiles consists of guided missiles, and these are furnished with a guidance system that guides the missile in flight. These missiles also have an aiming system that can be activated while the missile is being launched and until the missile is within the range of its target. The precision with which these missiles hit their target depends primarily on the kind and competence of the guidance system that is being used.

Unguided missiles as well as guided missiles have their advantages and their disadvantages. The former are simple, easy to use and do not require special preparation before launch. Consequently, they cost less and are less expensive. Naturally, however, their failure lies in their limited effectiveness and in their lack of a guidance system. Guided missiles, however, are very precise in hitting their targets. Guided missiles may also be used over a long range that, as we mentioned, may be up to 5,000 meters or 5 kilometers. This creates the possibility of engaging the enemy at a distance in preparation for raiding operations. All this has led to the use of extremely advanced technological devices in those missiles, and that makes them very costly and very expensive.

#### An Effective Weapon

One of the weapons that played an effective role in the October War was the anti-tank R.P.G.-V. We saw the process that was being used, under license from the Soviet Union, to manufacture and produce that weapon at the Saqr Plant for Advanced Industries. The characteristics of this weapon make it an effective weapon for the use of infantry soldiers under different circumstances and at various combat locations. Soldiers can use this weapon on a battlefield whose terrain is rugged or flat; they can use it in a forest area or in a city. The weapon is lightweight, weighing little over six kilograms. Its total length is 95 centimeters and its caliber is 40 millimeters. At first this weapon had to be used by a two-man team: one of them would carry the weapon and launch the missile, and the other would carry the ammunition. However, the method by which the weapon was charged soon provided the opportunity to allow one individual to use it. Thus, the same person can now simultaneously aim and fire the weapon as well as carry the ammunition for it. The gun may be fired from any position: a soldier can either fire it lying down or from a seated position, depending on combat conditions.

#### For All Arabs

The sun was setting as we approached the end of our tour of the Saqr plant, and our escort told us, "What is in front of us now is the automobile factory, and then there is the electronics factory." At the latter plant we saw Egyptian women working in this precise industry. Then our escort said, "But you have not seen everything yet. You need at least 2 weeks not just a few days so you can make a quick survey of what has been achieved in the weapons industry in Egypt. We are proud of the progress we made in this industry. Arab weapons will ultimately be used by Arabs for Arabs, all Arabs."

At the international weapons fair that was held last November after the quick visit that AL-'ARABI made to the weapons factories in Egypt, the statement that our friend had said when he told us that the weapons industry in Egypt was for all Arabs was confirmed. Nineteen countries took part in the fair, and Jordan,

Iraq and Somalia were among them. Guests at the fair saw the most modern developments achieved by companies engaged in the weapons industry worldwide. There were 177 companies.

What does this mean?

The weapons industry in Egypt has unleashed tremendous capabilities and resources which promise that prospects for the area to become self-reliant in defending our land and our sovereignty are good.

Other Weapons Produced by the Arab Industrialization Authority: the Saqr Plant for Advanced Industries

The plant has specialized in designing and developing the production of missiles for over 30 years. Its output meets the needs of the armed forces and the Arab countries.

The plant's output may be divided into the following varieties:

--Anti-tank weapons: The plant has been producing R.P.G. missiles since 1971. These are missiles that can penetrate armored vehicles; they may be launched from the shoulder, and they have a range of up to about 500 meters.

--Guided anti-aircraft missiles for low flying aircraft: The plant produces the anti-aircraft missile Hawkeye ['Ayn Saqr] against low flying aircraft. This missile is guided by infra-red rays and is launched from the shoulder.

This missile utilizes the most advanced technology in the world.

--Artillery rockets: The plant produces a group of missiles for shelling large areas. These missiles which carry highly explosive multiple warheads are anti-tank and anti-personnel missiles. Some of them are the following:

--The Alpha B missile has an 8 kilometer range.

--A 122 millimeter missile has a 20 kilometer range.

--The Hawk [Saqr] missile has a 30 kilometer range.

These missiles are launched from special launch vehicles.

--Smoke screen generating missiles: These missiles are used to make it impossible for enemy observation posts to see forces maneuvering into position. They are also used to conceal such maneuvers. The smoke screen lasts for about 15 minutes along a broad section of the front.

--Lance missiles for flying targets: These are used in the process of training air defense teams; they are used for target practice against flying targets.

## NEW EXCHANGE RATE ANNOUNCED

Beirut AN-NAHAR ARAB REPORT &amp; MEMO in English No 31, 10 Dec 84 p 10

[Text]

Egypt has authorised its four public-sector commercial banks to increase the exchange rate for US dollars to 1.20 Egyptian pounds. The government hopes the move will check the continued decline of the pound against the dollar and undercut the growing black market, by attracting the remittances of Egyptian workers back to the traditional banking system.

The chairman of Bank Misr, Mohammed Nabil Ibrahim, said that the new rate would prove effective against the black-market currency dealers, who have an annual turnover of about \$4bn. An incentive rate of E£1.12 to the dollar, introduced earlier this year, failed to attract expatriates' remittances because the black-market price remained 10 per cent above the official rate. Egypt runs some half a dozen exchange rates, ranging from E£0.40 to E£1.32 to the dollar.

The government has also authorised public-sector banks to sell dollars at a new floating rate for special requirements, such as raw materials for factories. The rate last week was about E£1.27 to the dollar.

The changes followed criticism of the administration's exchange-rate policy, with importers complaining of a serious shortage of foreign exchange to cover outstanding credit. The lack of hard currency at one point depressed the value of the Egyptian pound to its lowest level ever against the dollar: E£1.45. The new exchange rate should correspond more closely to market conditions and prevent the fluctuations that characterised the fixed-rate regime.

CSO: 4500/35



## NEW LAW TIGHTENS RULES ON BUILDING CONSTRUCTION

Cairo AL-JUMHURIYAH in Arabic 15 Dec 84 pp 1, 7

[Article by Muhammad al-Mukhtar: "A New Building Safety Law: Contractors and Engineers Will Be Responsible for Buildings for 30 Years"]

[Text] The Ministry of Housing has prepared a new study containing recommendations for guaranteeing the safety of buildings in the private and public sectors.

The ministry has submitted the recommendations to the People's Assembly Housing Committee for study, so that it may prepare a law on building safety measures and amend the law on the relationship between landowners and tenants.

The ministry's recommendations include abrogation of the current insurance on buildings, setting of the period of responsibility for building safety at 30 years, with the responsibility to be borne by contractors and consulting engineers, and an accurate review of the construction materials used on the buildings at the worksite.

The Housing Committee, under the chairmanship of Dr Milad Hanna, will hold a series of meetings to begin next week, which will be attended by Eng Hasan Sidqi, the minister of housing, to give concrete form to the recommendations in a final legal form, preparatory to their presentation to the People's Assembly at its current session.

The ministry study includes:

The landlord or engineer must submit the following documents in order to obtain a building permit from the competent engineering department in the district:

A plot of the general site.

An outline showing construction sites.

Engineering and construction blueprints.

The books on the building's construction accounts.

The description of the building and the materials used in it.

Blueprints of sanitary, mechanical and electric work.

A preliminary review will be made of these documents in order to determine if the purpose of the buildings corresponds to the statutes bearing on the areas in which they are located, as well as bills on regulations in effect, in terms of elevation, built-up area, areas of light shafts, projections of areas and so forth.

That will be followed by the assignment by the engineering department of the static [sic] review of the buildings' accounts to a consulting engineer whose signature on all construction blueprints will be approved by the Union of Engineering Professions, which will insure him for bearing responsibility.

After the review by the consulting engineer, the construction permit (permits) will be granted by the competent engineering department in the district on his responsibility.

The landowner, contractor and engineer must each have a union member to cooperate together in carrying out the blueprints authorized by the consulting engineer, and their names and qualifications must be sent to the competent engineering department for approval.

The person doing the construction and the contractor must retain a copy of the building permit or an approved copy of it at the construction site during construction.

The responsibilities of the consulting engineer will be defined as follows:

Carefully reviewing the construction calculations submitted on the building.

Notifying the landowner's engineer to complete incomplete construction blueprints, reviewing them carefully and signing them before construction.

Taking delivery of all construction stages. No reinforced concrete will be allowed to be poured until it has been reviewed and permission has been given in writing that it may be done.

Granting a certificate of safety for each stage in the building structure that bears the load that has been completed. That will be kept at the work-site and without it the contractor will not have the right to move on to any other, advanced stage.

Bearing civil and criminal responsibility for the building for a period of 30 years.

There will be no communication between either the landowner or the contractor and the consulting engineer who receives his fees from the competent engineering department.

Granting a certificate of fitness for use of the building to the landowner, the contractor, the competent engineering department and the utility boards; without that, utilities will not be connected to the building.

The contractor will bear civil and criminal responsibility for the building for a period of 30 years, as will the consulting engineer, starting with the date the building is delivered.

The contractor and the competent engineering department in the district will both have the right to oversee the quality of the building materials which enter into the construction of the building in its various stages, by taking samples, each under his own auspices, and testing them in government laboratories, to confirm the test results which the consulting engineer carries out.

#### Study of the Results

In the event there is a dispute concerning the results, the consulting engineer, the landowner's engineer, the contractor's engineer and engineer of the competent engineering department in the district to which the building belongs will meet jointly to study the reasons for this dispute and determine what is required, whether to repair or remove the construction. The committee's decision that receives a majority of the votes will apply, and it may not be protested by anyone. The construction of the building will be suspended at once in the event of an order to that effect, until the causes of the violation are eliminated. The committee decision will include the concomitant technical circumstances on which its decision was based and the method of repair in detail and will be in writing in the form of a ledger signed by all parties, together with the hour and the date.

In the event the contractor objects to the execution of the committee decision, work will stop at once, the competent engineering department will be informed of that, and it will perform its role by withdrawing the permit and executing the suspension by coercive force until the causes of the violation are eliminated.

#### The Local Authorities

The local authorities in the governorate and not necessarily the engineering agency (in the sense that the authorities can be an administrative agency) must confirm that the permit to build is present at the worksite. In the event it is not present, it will be necessary to stop work at once.

The consulting engineer, in the event he observes any technical violations of the construction blueprints he has approved, must inform the competent engineering department in the district of this violation, and it in turn will withdraw the permit and suspend work at once until the causes of the violation are eliminated.

Delegates of the Ministry of Labor, industrial safety, health, fire and the competent engineering department in the section and delegates of the subcontractors must pass by periodically in order to pursue their technical

responsibilities regarding the building and notify the responsible consulting engineer in writing about any observations they may consider necessary for the safety of the job and the workers.

#### The Insurance System

Abrogation of the current system of insurance on building projects.

The competent engineering department in the district will receive 1 percent of the stipulated value of the building, to be distributed as follows, 0.5 percent to the consulting engineer doing the review and 0.5 percent as incentives to the engineers in the engineering department in the district for their participation in overseeing the quality of the materials entering into the construction of the building and periodically passing by to oversee the proper performance and for the costs of carrying out experiments, seeking the aid of experts or preparing the technical reports that might require.

That will apply to private and public buildings, with the exception of special defense buildings related to the armed forces.

Periodic visits will be made to private and public installations after they have been completely built and put into operation, in periods to be defined in accordance with the importance of each installation, under the jurisdiction of the engineer in the district, in order to guarantee that their hypothetical life will be prolonged, as well as that the people occupying them are safe.

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CSO: 4504/143

PLANNING MINISTER REVIEWS VARIOUS CONSTRUCTION, COMMUNICATIONS PROBLEMS

Cairo AL-JUMHURIYAH in Arabic 20 Dec 84 p 2

[Article by Hasan 'Amir: "The Minister of Planning in a Comprehensive Conversation: I Am Prepared To Discuss Planning with the Wafd and Religious Currents"]

[Text] The traditional image of the minister of planning is that he thinks with his red and green pens.

The red is what is prohibited and the green is what is permitted. He is inundated by permits and documents on spending, disbursements and projects, is decisive, severe and peremptory, and is not good at smiling, conversing or carrying on discussion.

Dr Kamal al-Janzuri is an exception to the rule of the traditional image. He is mild, cheerful and flexible; he does not think about reds or greens, but thinks of people's dreams and dreams with them, too.

This conversation took place with him.

[Question] The issue of planning in Egypt continues to be raised in discussion, although 2 years have elapsed since work began on the 5-year plan. Some political forces reject planning as a theory of development. The religious currents, for example, say that planning conflicts with the provisions of religion. The Wafd Party does too; it says that planning constitutes greater government interference.

Have you discussed these approaches, in order to reach general understanding with these political forces on the importance and necessity of planning for Egypt?

The Story of Joseph

He said, "No, I have not had a discussion with the Wafd, and I have not participated in discussions with representatives of the religious currents.

"I have entered into conversation with numerous groups, technical, political and scientific, which perhaps included representatives of the Wafd and

religious currents. The discussion would always conclude with the need for planning as a theory of organized development and a means for correcting the distortions from which the Egyptian economy has suffered.

"That does not mean that I would refuse a discussion with the Wafd or the religious currents. To the contrary, I am prepared for one, ready at any time.

"However, I wonder in advance how the provisions of religion could conflict with planning. The Koran recited what the story of the prophet Joseph and his advice to the ruler of Egypt contained:

"Almighty God said, 'You shall sow seven years as is your custom, and what you have harvested you will leave in the ear, excepting a little, which you will eat from. Then after that there shall come seven lean years, that shall devour what you have laid up for them, except for a little, which you will keep in store. Then after that there will come a year in which the people will be given help and will press a harvest.'

"The holy verse is clear: it urges people to save and plan so that God can confer wealth on them.

"I also wonder what planning means. It is simply a study of the actual situation, an observation of the masses' and government's aspiration for progress and the attainment of advanced levels of welfare, knowledge and civilization, followed by a tabulation of problems and exploitation of the resources available to realize the goals of the masses and the government, together, within a specific time and in accordance with a program that can be carried out.

"Everyone in the society engages in planning in this sense -- an employee whose salary is 100 pounds, a man who fasts, prays and believes in God and God's law certainly asks himself every month what he will do with the 100 pounds, and he certainly sets out a plan of spending for himself, a plan which strikes a balance between his income and his goals. Does the individual's plan conflict with the provisions of religion? I do not believe so, nor do I believe that the government's plan in this sense conflicts with the provisions of religion.

"Nonetheless, I am ready for a discussion!

I Am Ready for the Wafd

"The Wafd also rejects the notion of planning, because it is disposed to the traditional notion of the free economy.

"Fine. Let us discuss economic policy in any modern country. Every country pursues the notion of planning in one form or another, planning in the framework of the economy as a whole or in the framework of sectors.

"In America, there is planning in the framework of sectors; in Europe, also, there is planning in the framework of sectors.

"Indeed, in America and Europe planning has come to touch on the life of the individual himself. The Egyptians certainly can remember how European and American governments issued stringent decrees reducing gasoline consumption and limited the speed of cars. The decrees arose in application of a comprehensive plan which was set out to reduce the consumption of imported oil. This plan somewhat restricted the freedom of people themselves to use their cars, use their household appliances and spend their savings.

"I can also say that I am ready for a conversation with the Wafd."

#### Influenced by the Dollar

[Question] Some people opposed to the notion of planning say that the plan has not served the Egyptian economy and the proof of that is the series of fluctuations that have occurred in the Egyptian market, such as the fluctuations in the price of hard currency, the bankruptcy of several major companies, including, for example, the Egyptian-Kuwaiti Shoe Company, and the bankruptcy of some small and medium-sized businessmen. The question is, has the plan in practice been influenced by these fluctuations?

He said, "I cannot talk about the dollar and hard currencies, because the subject has been brought up before the judiciary."

[Question] The question is not about the dollar, specifically, but about the effect of the fluctuations in the price of foreign currency on the course and execution of the plan.

He said, "Regarding the details of the plan, with its projects and stipulated investments, everything is progressing without serious problems as far as the first and second year projects go."

"However, some difficulties have appeared in the third year because of the lack of foreign currency for service projects. We are now trying to draw up a list of requirements in order to provide them rapidly."

"As far as the other fluctuations you talked about go, I can say that they have created a general climate which does not inspire optimism among certain investors; some of them wonder whether it would be better for them to expand investment or watch and wait; some of them consider that saving their money in the bank would be better than the risks of investment. This happens in all societies during successive economic cycles."

"However, I can say, and assert, that the plan has not been affected by these fluctuations. To the contrary, improvement and rapid performance in the plan are helping stimulate the market and bring it back to its normal level."

#### A Housing Contractor

[Question] On the subject of hesitation among some investors at present, is the private sector carrying out the investments that were set out for it in the plan? Is it committing itself to covering 25 percent of the stipulated investments?

He said, "To be honest, yes. However, we must learn exactly what the role of the private sector in the plan is. When setting out the plan, we provided that we should give it a large, influential role, which we set at 25 percent. However, the percentage is open to negotiation.

"Most of the 25 percent consists of low- and medium-cost housing projects. The government sets out these projects in Cairo and the governorates and finances them out of allocations set aside for housing. The government later buys that from the private sector or distributes it via various organizations.

"The private sector's role is restricted to execution; specifically, it is a 'housing contractor.' By the way, low- and medium-cost housing projects account for 96 percent of the private sector's stipulated investments. For that reason, the plan is not much affected, except by the extent of the private sector's competence in carrying out the projects. Nonetheless, I can assert that we welcome the private sector and encourage it, and are prepared to offer it every facility."

#### Telephones from Section to Section

[Question] If the fluctuations in the market have not affected the plan, and the private sector is playing its part, why are some projects, for instance the telephone projects and the natural gas system, projects benefiting the masses, and cement projects, which have special importance as far as the plan goes, being delayed?

He said, "The delays you are talking about are very temporary. They are technical delays. Nonetheless, we must talk about the problem of execution in the plan as a whole. About 40 percent of the investments go for installations. That is, contracting companies construct these.

"These companies undertake and carry out projects which are greater than their capacities. We try to lighten the burden by encouraging the creation of more companies, and we have advised all the governorates that it is necessary to establish a local contracting company to take charge of executing a number of the major projects listed in the plan.

"Some governorates have succeeded in this, and others are on the way. Consequently, construction is taking place in accordance with the programs.

"Even the projects which have been cited as examples of delays are being carried out in accordance with the program, except for some technical problems. The telephone project, for example; work on the process of connecting sections is being completed. This is a technically complex matter. It is also being delayed partly because of the work of excavating streets to lay out the sanitary drainage and water system.

"The natural gas system project: the system is working competently in Hilwan, al-Ma'adi and Heliopolis and work is underway in the other areas.

"However, natural gas itself is a problem. We have tremendous reserves of gas, and when we thought of exploiting it for household activities we found that we would not consume more than 20 percent of annual output.



"At the same time, we cannot shut down any gas well or even postpone exploiting it, because shutting down a well means ending the well's life in economic terms.

"The optimum solution would be to use the gas for industrial production and for us to extend the gas system to the cement, fertilizer and other factories.

"Therefore, we are negotiating with an English and an American company to set up a system for supplying the industrial installations.

"The cement industry's problems are all in the process of being solved, and then allocations are being arranged to finish the lines that have been suspended.

"There are investment projects for cement which have suffered from the cost of energy. The price has in fact been lowered from 130 to 30 pounds per ton of heavy fuel oil. These projects will be working at their full capacity now. Cement production is supposed to go above 1 million tons in a month.

"There are three other lines which will start producing next year."

#### Water in Upper Stories

[Question] In a previous conversation, you said that the citizens have benefited from the plan, but the examples were always about consumer benefits. Have strategic, advanced returns been derived which the citizens can sense?

He said, "Yes, many job opportunities have been provided, and this is apparent in the rural areas and cities alike, because of the increase in demand for manpower and the rise in wages paid to it.

"The plan has also improved the electric power system. The rates of black-outs have declined greatly in comparison with 4 years ago. The system has been improved not just in Cairo, but in all the governorates.

"The sanitary drainage system has also been improved. I believe that the citizens of Cairo and some other governorates can feel the level of improvement now, although we are still carrying out the first stage of the project. Potable water projects have also been improved as much as the sanitary drainage system.

"In Cairo, for example, I can assert that the production of potable water has increased at great rates and is covering most of the city's requirements. The system is also able to get water to upper stories. However, we cannot fully operate the system now, for fear of increasing the pressure on the drainage system.

"The problem can be solved soon, when we complete the first projects to improve the sanitary drainage system.

"Health services also are achievements which the citizens will feel starting next year. The plan includes the renovation, construction and improvement of

performance in 150 hospitals and health units. Many of these units will go into service next year, equipped with new teams of workers, a greater number of beds and more modern equipment."

[Question] You said that the plan has created stability in prices. This has actually been the case with some products, whose output has increased. However, there are products the public sector produces whose prices have increased at great rates.

In a previous conversation, you said that the Ministry of Planning intends to establish a special price agency whose task will be to study the costs of public sector products before offering them at low or "subsidized" social prices.

Have the new prices for public sector products passed through the Ministry of Planning, or have they been handled separately?"

He said, "To be honest, the price agency in the Ministry of Planning is not an agency in the exact sense. It is a working group. I chose this format so that we would not add a new bureaucratic institution to the ministry.

"This group has actually reviewed some of the big products which are decisive in the area of economic development."

#### The Ministry Is in Favor of Subsidies

[Question] The talk about prices leads us to the issue of subsidies. Your position last year was one that supported the approach which held that subsidies should not be abrogated and replaced by wages in cash.

Do you still hold this view?

He said, "I still hold my view. I say that the subsidization of basic commodities is necessary. The goal of gradually emerging from subsidization, with each year, is not to impose the collection of taxes on the citizens or save on financial commitments. To the contrary, all new impositions of taxes and all savings in financial commitments by the criterion of social justice will have the goal of increasing wages and services."

[Question] The talk about the plan and the masses raises another question, why Cairo stands apart from the other governorates in having the greatest number of production and service projects.

He said, "To the contrary, Cairo does not stand apart. Since the beginning of the plan in 1982 we have announced that we do not agree that any new industrial projects should be established in Cairo. This decision is being carried out painstakingly. We are trying, conversely, to establish industrial complexes in al-'Amiriyah, Suez, Kafr al-Dawwar and al-Mahallah al-Kubra and are encouraging the establishment of industries in these areas.

"What is happening now in Cairo is that the dozens of projects that had been started are being completed. Years have gone by with these projects, and

they have not been put into operation and production. They represent idle capital and a national waste.

"The plan also includes the addition of some production lines and units in some major projects in order to focus capital and obtain the highest revenue from existing industrial installations.

"This sort of procedure calls for the establishment of a number of peripheral projects, such as roads, housing, schools and so forth.

"When the work on these projects is completed, we will divert all investments and efforts to the governorates. I can say in advance, now, that the coming plan will concentrate on development in the governorates."

How Is the Plan Financed?

He said, "Through savings, loans and foreign aid. The National Investment Bank carries out financing activities."

[Question] It has been noted that you, as minister for economic cooperation, put a great deal of emphasis on West Germany.

What do you expect from it?

He said, "To the contrary, we do not concentrate on a single country in the context of economic cooperation. The ministry's policy has the goal of diversifying sources of financing, technical aid and trade relations. The policy of diversifying arms sources has been a success, and we are trying to apply the diversification policy to the area of economic cooperation.

"West Germany is not the only country; rather, one should add France, Italy and Japan to it.

"The total aid and loans these countries offer Egypt account for 25 percent of total American aid. Nonetheless, it is necessary to assert and concentrate on relations with these countries in order to carry out the diversification policy."

[Question] It has also been noted that you are concentrating on improving relations of economic cooperation with such economically ordinary countries as Turkey, Greece and Yugoslavia.

He said, "The discussion with these countries goes in two directions too, improvement of the balance of trade and the specification of certain commodities which can be imported at low prices and at lower shipping costs, since they are countries which are adjacent to Egypt."

[Question] Where do relations with the countries of the Eastern bloc stand?

He said, "They are constantly improving. We stress their importance in the context of the policy of diversification of economic cooperation relations. The deputy prime minister of East Germany recently visited Cairo to hold

talks on the commercial and technical cooperation protocol. We are to import 100,000 tons of iron from East Germany and 200,000 tons of reinforcement iron from Czechoslovakia."

And the Soviet Union

He said, "Our commercial relations are improving. It has asked us to increase cotton exports while we in exchange increase our imports of wood, paper and coal, all of which are strategic commodities.

"The Soviets have also offered to take part in replacement and renovation projects bearing on factories and productive units they established in the sixties."

[Question] Is it true that discussions are being held with Arab funds to provide certain financing for the plan projects?

He said, "Yes, there have been unofficial, unpublicized discussions between Egypt and a number of leaders of Arab institutions such as the Kuwaiti Development Fund and the Abu Dhabi fund, and the visits are ongoing."

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CSO: 4504/143

OPPOSITION LEADER AL-RABITI DISCUSSES AL-QADHDHAFI

Cairo AL-MUSAWWAR in Arabic No 3140, 14 Dec 84 pp 40-42

[Interview with Bashir al-Rabiti, Libyan opposition leader, by Sana' al-Sa'id: "Bashir al-Rabiti to AL-MUSAWWAR"; date and place not specified]

[Text] In bad times, criteria are upturned, the truth is lost, evil grows and flourishes and principles are squeezed and devoided of their meaning. But a ray of hope is always found in presenting and reviewing the experience and in analyzing the gaps it contains. Bashir-al-Rabiti, the speaker of the Confederal National Assembly of the former Federation of [Arab] Republics, speaks here to the press for the first time about his experience with al-Qadhdhafi with whom al-Rabiti has had close experience and against whom he started his struggle as of the first months of the 1969 revolution when al-Rabiti was the general secretary of the Libyan Students Union and the Labor Union Secretary. The experience started when the Revolutionary Command Council summoned al-Rabiti and warned him against engaging in any political activity. The real confrontation with al-Qadhdhafi started when Bashir al-Rabiti came to Egypt as a member of the unity committees between Egypt and Syria after this unity was declared.

[Question] After 15 years of failures as revolutionary leader, al-Qadhdhafi still believes in his role as the sincere leader of Libya. The question is: Has al-Qadhdhafi hurt the Libyan revolution?

[Answer] He has hurt the revolution and his colleagues in it. There is no doubt that some of them were sincere in seeking the good of Libya. Therefore, when they found out that al-Qadhdhafi was not qualified to take part in building Libya, they withdrew from around him. Only four of those colleagues have remained with him, namely: 'abd-al-Salam Jallud, Abu Bakr Yunis, Mustafa al-Kharrubi and al-Khuwaylidi al-Humaydi. However, I do not fault or accuse any of these four because al-Qadhdhafi is the absolute ruler.

[Question] In the course of classifying you as an opposition, can it be said that you are leading a movement opposed to al-Qadhdhafi and devoting itself to overthrowing him and are your differences with al-Qadhdhafi confined to the system of government by which he runs Libya's affairs?

[Answer] Yes, we as opposition lead a movement opposed to al-Qadhdhafi and we are exerting determined and serious efforts to overthrow him. We disagree with al-Qadhdhafi on the issue of Libya. As for the talk about the system, it cannot be said that the system enacted by al-Qadhdhafi at present is a system of government. In fact, it is tantamount to an anarchist gang that has usurped our property and money, abolished our constitution and laws, distorted our tradition and customs and subjected the people to all forms of humiliation, including torture, imprisonment, lynching and murder. It suffices to say that there are in Libya more than 80,000 political prisoners, according to the latest statistics, affiliated with various tendencies and ideologies.

Whoever has been able to flee the tyranny of the gang lives in exile in some strong Arab country capable of protecting such exiles, in Europe and in the United States. Despite this, al-Qadhdhafi is still pursuing these exiles everywhere.

[Question] The events have proven that al-Qadhdhafi is a ruler who is not concerned with nor shaken by any ramifications that may result from his actions against those opposing him. Moreover, he pays no attention to the reactions emanating from these opponents. He persists in his excesses, paying no attention. What are the means to contain him?

[Answer] Many of his opponents have been martyred outside Libya. This is why we feel that we, as opposition, must unite against him as an international terrorist. But while carrying on with our struggle, we look for the forces of good in the entire world to stand with us, especially since al-Qadhdhafi no longer represents just a Libyan problem but rather an international problem at the same time. The harsh lesson taught last month by the Egyptian security agency to the Libyan security agency, which al-Qadhdhafi claims to be a strong and invincible agency with all the foreign expertise and resources at its disposal, is nothing but a clear reflection of the Libyan regime's muddling. I hope that the world will follow Egypt's example so that we may expose al-Qadhdhafi and reduce him to his real size.

[Question] It may be said that you, as opposition, settle matters insofar as al-Qadhdhafi is concerned and that he has no choice but to react in the face of your activities and movements as opposition?

[Answer] Al-Qadhdhafi is the one who always takes the initiative. His activities are numerous and his blows successive. The latest such initiative was the formation of a committee comprised of four Libyans--Hadi al-Gharyani, al-Hadi Shalluf, Nuri al-Shaybani and 'Adli al-Mahdawi--which went to Italy to pursue and recruit the Libyan students there. Al-Qadhdhafi's intelligence also arrested recently journalists Bashir Kahil and 'Abdallah al-Sa'idi, both of whom were writing in the Libyan press, on the charge that they had made insinuations between the lines regarding the situation in Libya.

Recently, several terrorist groups from the revolutionary committees arrived in Brazil by way of European countries, including Switzerland, Cyprus, Greece and Spain, with various passports, some of them Turkish and Moroccan. In cooperation with the Syrian and Iranian intelligence, these groups pursue the opposition in the three countries.

Lately, al-Qadhdhafi also formed another committee in Italy, comprised of 'abd-al-Rahman Shalqam, 'Abdallah Jubran, Faraj Makhluf and 'Ali al-Ghaddan, in the wake of the failure of the members of the old [people's] bureau to carry out al-Qadhdhafi's orders to pursue the opposition.

[Question] What is your weight as opposition at present and what kind of coordination and ties bind you together and make you a force to be feared?

[Answer] In recent years, the various factions of the Libyan opposition have realized that each of them cannot stand independently in the face of al-Qadhdhafi's resources, which are employed totally for crime and terrorism. Therefore, these forces have had to meet, even if only on minimum accord and coordination, because they can not produce individually what they can product collectively, especially since they are not in disagreement over hostility to al-Qadhdhafi and even though they disagree on the form Libya should assume after al-Qadhdhafi. Naturally, this decision is up to the people who have the major weight in determining the future.

[Question] If al-Qadhdhafi's actions evoke amazement and surprise, the Libyans' patience with al-Qadhdhafi evokes even greater amazement and surprise?

[Answer] The history of the Libyan struggle is a long history and this struggle has not stopped since the Libyan people's battles from 1911-38 which ended with the martyrdom of hero 'Umar al-Mukhtar. The Libyans confronted the Italian Empire at the time. They fought valiantly and many were martyred and many others fled the tyranny of Italian colonialism to beloved Egypt where they lived as free men. Some of them are still present in al-Fayyum, al-'Amiriyah, Alexandria and Cairo. The Libyan people also expressed their broad hopes for change as a result of the faults of the monarchic regime, even though I believe that the king had no part in those faults. The faults were committed by lower officials with the power of execution. The Libyan people's struggle against al-Qadhdhafi has continued since the 1969 coup. It suffices to mention the coup attempt which was made within the first 3 months of al-Qadhdhafi's power takeover when those around him realized that he was not the ruler the people had been looking for and when they saw his real character in the first months of the revolution while he was admist his U.S. advisors. Vehicles moved and weapons were seen being delivered to him from a U.S. base, meaning that the Libyan coup headed by al-Qadhdhafi was perpetrated with U.S. weapons.

The first organized military movement against al-Qadhdhafi was led by Lt. Col. Adam al-Hawwaz, the then minister of defense, and Maj al-Hadi Balqasim, the director of army operations. But al-Qadhdhafi quickly smashed the operation and sentenced those involved in it to death. This attempt was followed by numerous others.

[Question] The incident of al-'Aziziyah Gate has been the only incident to surface as a real attempt to overthrow al-Qadhdhafi. Has this incident received more propaganda than it merits?

[Answer] On the contrary, the al-'Aziziyah Gate incident has received a lot less than it merits. Rather, it is perhaps the only incident to prove to the world that there are those who are willing to die for the sake of the Libyan cause and that the attempts against al-Qadhdhafi have not been curtailed by the strong guard [protecting him] and by the intelligence agencies colluding with him, be they American, Soviet or European.

[Question] The Al-'Aziziyah Gate incident is the first attempt during the 15 years of al-Qadhdhafi's rule to create a spark.

[Answer] Perhaps because those who made the attempt had come from abroad. But this does not mean that the resistance in Libya against al-Qadhdhafi has subsided. There are movements about which nobody outside Libya knows anything because al-Qadhdhafi's control of the media is awesome. Regrettably, these endeavors are suppressed and then no longer utilized.

[Question] Despite this, al-Qadhdhafi is still a leader who cannot be opposed in Libya. To what do you attribute this?

[Answer] If anything, this indicates the foreign powers' support for al-Qadhdhafi and for his policy. This is not surprising, those foreign forces that installed him as Libya's ruler because they are the primary beneficiary of his installment. There is no doubt that with Libya's wealth, al-Qadhdhafi has become the milking cow for countries of the world, both eastern and western, through their companies, be they American, West European or eastern companies. Here, it seems that we are not fighting al-Qadhdhafi alone but also fighting foreign forces supported by their intelligence agencies and their activities, which are channelled toward protecting their interests and protecting al-Qadhdhafi, who paves a foothold for these countries in the area.

To prove this, it is enough to note that a country like West Germany hastened to submit to al-Qadhdhafi's wish 2 years ago when he demanded that it hand over to him two innocent Libyans for no reason other than his accusing them of opposing him. It has been proven by eyewitnesses that the revolutionary committees in West Germany abducted the two men and sent them to Libya after drugging them. I say that freedom and human rights are indivisible, that these are major powers and that it behooves



them to seek other means of pressure so that they may not go along with al-Qadhdhafi's whims and his strange and abnormal actions.

[Question] This act [by West Germany] came perhaps in enactment of the well-known proverb "befriend and be safe," especially since al-Qadhdhafi is not reluctant to create troubles for others. This is not surprising, considering that he has said that he opposes the international system. This means that he does not and will not put a limit to the policies and steps he adopts to express this opposition fundamentally.

[Answer] It is my belief that al-Qadhdhafi is not and will not tone down what he is doing. This is compatible with the philosophy of his selection to be ruler of Libya by a superpower. There is no doubt that this power is aware that he is sick and that no noteworthy good is expected of him for his country. Al-Qadhdhafi has been entrenched as a ruler to be tantamount to an instrument for stirring and inflaming the conditions in the area. What is intended by such action is to expose all the reactions around him so that the major powers may make their calculations in the light of these reactions. He is tantamount to a spearhead and an instrument used to provoke others. There is no better proof of this than the fact that he does not have the qualifications of a ruler. He is sick and he makes mistakes and repeats them. He pretends to be pro-unity and demands unity with the others but then proceeds to quickly show them his hostility. The experience of unity with Egypt and Tunisia is the biggest proof of this.

[Question] There are those who believe that al-Qadhdhafi's taming by the United States is not required yet because as long as al-Qadhdhafi persists in his radical line and his extremely strange policies, he represents an element of reassurance for Reagan.

[Answer] I agree with this. Rather, I still remember the border skirmishes which erupted between Egypt and Libya in 1977. At the time, al-Sadat was warned by the United States not to go too far in striking al-Qadhdhafi because he is reliable.

[Question] Does this mean that what happened between al-Qadhdhafi and the United States in Sirte Bay is nothing but a screen and a cover for the real positions, meaning that the incident was no more than exhibitionary verbal maneuvers with no real background behind it?

[Answer] It is so, proven by the outcome of the Sirte maneuvers which show al-Qadhdhafi as being capable of confronting the United States. This means that the incident was intended to cast al-Qadhdhafi as a force in the area to be taken into very serious consideration. Contrary to what he pretends to be, al-Qadhdhafi is not hostile to the United States. If he were truly so, he would nationalize the U.S. oil firms which still enjoy Libya's riches and get all kinds of state facilities. The American enters Libya without a visa. Where is this hostility?

[Question] What, then, is your interpretation of his rabid recent campaign against Reagan's policy in the area, a policy which he has described as mad, and what is your interpretation of his criticism of the NATO policy?

[Answer] Insofar as the U.S. and European mentalities are concerned, they do not worry themselves with the arrogance of microphones. To them, this arrogance is no more than negligible sophistry that cannot be used as a true criterion for reclassifying and defining positions. What concerns the U.S. and European mentalities is that the gains they make not be undermined or diminished.

[Question] This may be in contrast with those who say that Libya has gotten tired of the Soviet Union and that it may be aspiring to establish better relations with the United States.

[Answer] Al-Qadhdhafi has never at any time strayed far from the United States, which is not so much concerned with the Libyan cause as it is with its interests, interests which are still stable and which have not been closely or remotely touched by al-Qadhdhafi.

The U.S. propaganda campaign does not deceive many people. This campaign is focused outwardly on curbing al-Qadhdhafi's rashness from time to time. Al-Qadhdhafi is in constant contact with the Americans, either through political channels or non-political channels.

[Question] Could this lead to the suspicion that al-Qadhdhafi is an agent of U.S. intelligence?

[Answer] He is an agent not only of U.S. intelligence but also of Soviet and Zionist intelligence.

[Question] The plot which al-Qadhdhafi perpetrated against al-Bakkush and which was foiled by Egypt last month indicates that he persists in his hostility toward Egypt and that he is afraid of his foes who live in Egypt.

[Answer] His complex insofar as Egypt is concerned is not new. It is an old complex because he believes that as long as Egypt maintains its strength, its resources and its capability to confront, his movement will continue to be limited and he will find somebody to confront him even if he reaches the top. The only neighbor he fears is Egypt. The truth is that Egypt, with its resources, capabilities and weight, is the side capable of containing him and of clipping his claws. This is why his sole concern throughout the period of his assignment to rule Libya has been to contact terrorist agents throughout the world to destabilize Egypt and to shake the progress and success it has achieved. He devotes nearly 70 percent of his efforts and his demonic thought to Egypt and to how to penetrate it. But he has not and will not succeed. This is why the plot against al-Bakkush was aimed fundamentally at stabbing Egypt

and at demonstrating that its security is penetrable. But al-Qadhdhafi fell into the biggest snare laid for him by Egyptian security.

[Question] What is your evaluation of the Moroccan-Libyan unity treaty? Does it, from your viewpoint, constitute an alternative to the efforts for the unity of the Arab Maghreb, especially since al-Qadhdhafi has declared that it is the beginning of a comprehensive unity? Or does this unity, to the contrary, undermine the balance in North Africa?

[Answer] On the contrary, this step destroys the ceaseless efforts to improve the relations between all the Maghreb countries. Therefore, it is not surprising that we see a wave of concern sweeping the Arab Maghreb in connection with al-Qadhdhafi's intentions in the wake of conclusion of the unity treaty. I see it as a unity of interest. The circumstances of King Hassan II and those of al-Qadhdhafi have dictated that they meet, even if only temporarily, to overcome the crises in both countries. Morocco's crisis is an economic crisis and Libya's is an intensifying domestic crisis that may lead to uprooting and toppling al-Qadhdhafi. This is why both sides view the union as a way out of the crises. I believe that this is a temporary outlet because what is built on falsehood is false.

[Question] What is the philosophy behind al-Qadhdhafi's approach of depriving the government agencies of their powers to the extent whereby Libya's embassies have turned into people's offices run by revolutionaries who lack diplomatic experience and whose mission is confined to liquidating al-Qadhdhafi's enemies?

[Answer] Al-Qadhdhafi's philosophy is the philosophy of a rancorous and tendentious man. He hates all names and he does not want anybody to succeed or hold a position. He is the minister, the king, the ambassador, the president, the absolute ruler and the chairman of committees. This is also reflected in his hatred against the Libyan families and leader after whom streets and mosques have been named. He has erased these names and given the streets such names as al-Fatih, al-Zahf al-Akhdar and al-Thawrah al-Sha'biyah. Al-Qadhdhafi has sought to get rid of the rules of protocol governing the relations of nations so as to be free to perpetrate whatever internationally unacceptable acts he wishes to perpetrate, such as physical liquidations and terrorist activities.

[Question] As an opposition aware of whatever is happening in Libya at present, what can the given facts in Libya foretell?

[Answer] The observer of the events in Libya believes that al-Qadhdhafi no longer has supporters. Even his aides in the revolutionary committees have begun to disavow him and wait for something to happen to him. The changes that take place among these leaders every month are perhaps a decisive proof of my sound visualization. Al-Qadhdhafi has begun to fear those who are closest to him and has recently begun to change their positions. An example in this regard is the transfer of

Brig Gen Mustafa al-Kharrubi from the army chief of staff to become an army adviser and the appointment of Maj al-Khuwaylidi al-Humaydi to replace him. I believe al-Qadhdhafi is nowadays in his final throes. The Libyan opposition asks and urges all the forces of good in the world to stop pampering him because those who will remain are the Libyan people, who are the final judge on everything. Fifteen years of suffering under the canopy of al-Qadhdhafi are enough.

[Question] Egypt recently withdrew from the council of the Confederation of Republics which you headed at one time. What is your evaluation of the confederation?

[Answer] To start with, Egypt has not withdrawn from the confederation. Rather, Egypt's recent step came in reaction to what Syria and Libya, the two other countries in the confederation, had done when they withdrew earlier. Moreover, Libya burnt the confederation flag in 1977 and shifted the confederation's capital to Tripoli, which is in violation of the constitution. Syria had also withdrawn. Consequently, the confederation is considered as having been dissolved by these two countries which had withdrawn as two founding countries.

If we compare what Egypt offered the confederation from beginning to end, we would find that it was manyfold what the two other countries offered together. Syria and Libya did not even hesitate to hatch plots and to distribute pamphlets to sabotage the confederation.

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ABOLISHMENT OF MILITARY POLICE SUPPORTED

Tripoli AL-JAMAHIRIYAH in Arabic 7 Dec 84 p 7

[Article by Faraj al-Ma'rifi: "Concerning the Military Police, the Dictatorship of the Masses; No to a Police Secretariat!"]

[Text] "The people's revolution is the revolution of the masses who toil for their freedom and for their right to enjoy the fruits of their labor. These masses will defend their revolution. They have no need for 'oppressive' executive agencies to defend them, such as the police, an investigating agency, an army and other such agencies. In defending their revolution the masses would be defending themselves. In the people's revolution there is no regime that suppresses freedom; there is no class of people that exploits others; and no individual sets himself up above the masses."

"Shuruh Al-Kitab al-Akhdar" [Commentary on the Green Book]; "A New Economics," Book Nine, page 25.

"There is no one claiming the right to control others on behalf of society." Therefore, "Society must monitor itself." "All power must be vested in the people."

"Any intervention that opposes freedom is harmful to natural law. Therefore, such intervention is arbitrary, tyrannical and oppressive to the will and value of man." "Tafsirat al-Kitab al-Akhdar" [Interpretations of the Green Book].

The Military Police Is a Traditional, Oppressive Government Agency!

The psychic sense that the masses have of the history of their presence was the first impulse which put together and brought to light man's latent needs to do away with any unjust relationship existing in his world as an integral part of it and not as a product of an action outside it. It is this sense that draws the decisive line which separates those who claim the right to establish control on behalf of society and set up a transcendent Fascist government, from a popular movement that wishes to have its humanitarian premises become beacons guiding the meek on this earth in their quest for freedom, happiness, emancipation and victory. Any intervention that contravenes natural law is a manifestation of despotism, tyranny and oppression.

However, it is the masses of the constituent people's congresses that have a right to "govern and legislate." No executive, oppressive authority that is not an integral part of a populist society can set itself up as the defender of the masses. It is logical and natural [to assume] that the military police is not an integral part of a populist society [and that it exists] until "it is replaced by an institution of the people and of the masses." The fact is that it is the revolutionary committees and not the police secretariat that are to carry out the functions of the revolution.

The masses of the constituent people's congresses who developed a sense of their presence did not come about that feeling easily. They have been and still are clashing with those who oppose freedom in form and substance from the ranks of an absolute, oppressive and terrifying institution such as the military police, which is viewed as a tool that is used "to implement the decrees of the masses," even though the military police is an autonomous agency that terrorizes these masses. This traditional agency which is subordinate to the branches of the military establishment--the army--is an institution whose view of destiny is limited to the view that life is a plunge from a higher world to a lower one. It regards destiny and accordingly man as a faint shadow of pre-destined actions which are limited between the two fixed traditional points of his birth and death. The military police is a horrible manifestation of oppression, tyranny and restrictions on freedom any place in the world. It sets forth stern methods that to a large extent deny the worth of a human being. Even the military establishment which has not yet been dissolved so it can join the masses of the constituent people's congresses and abide by their decrees has left its mark on all the esthetic, moral and social aspects of evaluating human beings, and it has created this oppressive, hierarchy of a military police, an establishment whose higher ranks are always more oppressive and more terrifying, encroaching upon the daily lives of human beings.

There is no doubt that there are material obstacles [to abolishing the military police]. These are the product of this traditional presence whose perceptions are not those of the age of the masses even though power must be vested entirely with the people and society should monitor itself. Abolishing the military police from its very foundations is one of the ideological constants that is taught as an ultimate solution to the problem of doing away with the tools of a dictatorship which are inconsistent with the aspirations of a populist society. The masses of the constituent people's congresses through the movement of the revolutionary committees cannot accept any form of injustice, tyranny and oppression. Therefore, members of the military police establishment or those who work for this non-populist agency must turn over the reins of power to the masses of the constituent people's congresses. These are the masses of the revolution, the masses of the towering figure: the leader and founder of the first of September Revolution.

These are the masses that are concerned with using a variety of means and methods to defend their vital issues on all levels. It is the right of the masses to become engaged in revolutionary violence without having anyone act on their behalf or any agency claim a right to which it is not entitled. The dictatorship of the masses is a revolutionary course when it is affirmed by the constituent people's congresses through populist legislation. This is because it

is the masses who make decisions. It is through the sensibilities and interactions of the masses that man is put to work in his own domain; the masses can respect that domain and not oppress it or abuse it. It is the masses that can look into the value of man and not beyond him. It is the masses that can look into the origins, the virtues and the evils of man. It is the masses that can look into the dialectic of man's evolution according to those abiding human assertions which affirm and demonstrate that an armed nation is a tool by means of which the means, objectives and resources of power, wealth and weapons in a populist state can be reached.

To put it briefly, putting an end to the military police would destroy the cornerstone of an unfair relationship which is part of a traditional, pyramid-shaped governmental establishment that is inconsistent with the aspirations of a populist society. Putting an end to the military police would proclaim the beginning of the end of an agency that does not belong to the populist age. The leaders of the great first of September Revolution would then take it upon themselves to set the objective conditions for utilizing the resources of an armed nation in the fields of services and production.

8592

CSO: 4504/141

PRESIDENT OFFERS NEW POLICIES ON VARIOUS DOMESTIC PROBLEMS

London AL-TADAMUN in Arabic No 87, 8-14 Dec 84 p 22

[Article by Fath-al-Rahman Mahjub: "President Ja'far Numayri before the People's Assembly: Extension of the Transitional Period for the Southern Regions and Establishment of a Higher Council To Confront Desert Encroachment"]

[Text] The general policy speech which President Ja'far Numayri gave to the fourth session of the National People's Assembly at the end of November covered all details, large and small, regarding the presentation of the government's general policy in the domestic and foreign areas. He spoke about the experiment of the application of Islamic law and its limits, and domestic and foreign reactions. He talked about the problems of the African continent and the Middle East region and discussed the domestic achievements and problems which had to be confronted by various means, the conversion of productive sectors into units enjoying freedom of movement under the law on companies, and the drought, decline in the level of the Nile and the need to substitute dialogue for conflict in regard to what is happening in the south.

The inauguration of the assembly session this time was unique, in that by invitation of 'Izz-al-Din al-Sayyid, chairman of the council, a non-governmental British delegation attended the opening session, headed by Julian Amery, former minister of state for the British Foreign Office, in the company of members of the Houses of Commons and Lords and members of the group present in the delegation which represented it, that is, the Council on the Horn of Africa and Aden, which has developed warm relations with the Sudan recently and is concerned with Red Sea and Arab regional issues. The appearance of this delegation offers evidence of the success of 'Izz-al-Din al-Sayyid, chairman of the assembly, in expanding the scope of contacts by the Sudanese People's Assembly, not just in the international parliamentary context, whose federation has chosen him as chairman, but also in the context of the promotion and approval of Sudanese policies in the same areas in the international framework. Here it is clear that the issue is related to policies connected to the interests of this group.

President Numayri began his speech to the people's representatives by praising the previous session of the assembly, which, as the president said,



"witnessed your objective, constructive dialogue, which was an affirmation of the democratic nature of the revolution and a consolidation of the platform of consultation." President Numayri, through his categorical statement, put an end to statements which had been circulating to the effect that a cloud lay between the president and the People's Assembly, when he asked the assembly, before it recessed last July, for a period for thought and study on reaching the suitable decision on the constitutional amendments which had been proposed at that time and which, as soon as they were presented in the framework of the assembly committees, stirred up a tempest of non-acceptance on the part of some people and acceptance on the part of some others.

One of the most prominent paragraphs which gave the Sudanese media pause for reflection was the extension of the transitional period in the three southern regions. This paragraph constituted a surprise in two areas:

First, in granting a reprieve for continuation of the dialogue on acceptable solutions regarding the administrative and political subdivision of the southern Sudan in the context of decentralization, which the country has embraced in general.

The second area is that unification will be realized by the deadline for the holding of elections to regional people's assemblies throughout the nation and its regions. President Numayri emphasized his determination that the members of the southern regions be given a chance in the context of the Addis Ababa agreement which put a stop to the bloodshed in 1972 under the umbrella of the country's constitution. President Numayri repeated what he had previously declared numerous times, that "the first and last view on the issue of the subdivision of the southern regions lies with the people of the south."

It is well known that the issue of the subdivision of the southern area into three regions in 1983 has recently become a cause to which all disturbances in the southern Sudan are attributed, to the point where the credibility of this justification has acquired force within the foreign media as far as the Sudan is concerned and has perhaps created an internal effect in the southern arena, causing the government to deal with it on this level. In reality, the issue of the subdivision of the southern Sudan into regions, as was the case with the northern part of the country, was not in itself connected to what some people are attempting to portray as a confrontation between north and south, whose cultural features and religious or racial backgrounds differ; rather, it has arisen from political and tribal contradictions essentially related to the southern Sudan following the Addis Ababa agreement and the gains the south has realized.

The upshot of the matter is that nothing has appeared yet to specify the duration of the extension period President Numayri announced. The quotation made in the speech stressed that because of the importance of "giving a period of time to continue the dialogue within the organizations, I have considered it appropriate to extend the period of life of the executive and legislative institutions in the three southern regions in order to realize this objective." In addition, the timing for the holding of elections in all regions of the Sudan would be consolidated.

In spite of the importance of the second reason, the special status of the southern Sudan has receive attention from President Numayri, who made a visit to one of its regions a few days before he inaugurated the People's Assembly session. This shows that the first reason is of greater importance.

That is because recent weeks have witnessed a vivid debate on this issue, taken up by the Sudanese Socialist Union, represented by its Insitute of Political and Strategic Studies, in which a number of people with opinions and expertise and figures from the south, representing numerous views and backgrounds, took part. This imparted new dimensions to the manner of treatment or at least the approach toward this treatment in an atmosphere of debate and give and take which might satisfy all parties which believe in the unity of the territory of the Sudan and the pursuit of dialogue rather than the bearing of arms as a way to proceed.

In addition to that, it is not to be ruled out that the scope of the dialogue will expand to include further southern dissidents who have borne arms against the government. The start of a dialogue has already been declared, and that was followed by agreement by the William 'Abdallah Chol group to sit down at the negotiating table with the government. News within the grouping of dissidents has it that there are rifts among them concerning the subject of the dialogue, which could produce new groups and elements that would have the right to take their opportunity to state their opinion on the issue of the subdivision of the three southern regions.

One of the major issues which President Numayri presented in his accounts to the nation before the People's Assembly was his lengthy pause for reflection concerning the measure the government has pursued to cope with the drought, desert encroachment, drop in the level of the Nile (which has had no precedent in 100 years), and local and foreign migration. The solution President Numayri presented can be summarized as sharpening concerns and mobilizing resources to uplift the agricultural sector. President Numayri gave instructions that the ministers concerned with the matter were to offer detailed statements on this matter to the people's deputies. President Numayri had talked in detail about the problems the African continent was suffering from in his appeal a year ago in Rome, at the headquarters of the world Food and Agricultural Organization (FAO), pointing out the dangers which threatened the people of Africa and the Sudan, since the problem of the drought had gone on for about 2 years and had created a disruption in the balance of the environment which led to desert encroachment. At the People's Assembly, President Numayri declared the establishment of a higher council for the environment and natural resources to confront natural elements.

11887

CSO: 4504/152

## CENTRAL BANK GOVERNOR DESCRIBES MONETARY POLICIES

London AL-TADAMUN in Arabic No 89, 22-28 Dec 84 p 37

[Article by Fath-al-Rahman Mahjub: "While the Government Austerity Policy Is Yielding Results, Serious Speculation in the Currency Markets Threatens the Sudanese Pound"]

[Text] The past few weeks have witnessed severe fluctuations in currency markets in the Sudan at the expense of the state of the Sudanese pound, which has continued constantly to deteriorate in the face of other currencies in spite of decisive policies to reduce government spending and reconstruct the al-Jazirah agricultural project, whose cotton production amounts to the main source of foreign money from its earnings, stimulate the sugar industry and seek to revive the textile industries, generally uplift the volume of agricultural production and provide incentives for production and export activities.

The fluctuations in the currency market have assumed strange form in their rates of decline and rise, but in general they have tended to decline, prompting the governor of the Central Bank (the Bank of the Sudan), Faruq al-Maqbul, to declare, in press statements in Khartoum, "It is not strange that fluctuations should occur in currency rates in all areas of the world, but the strange thing is that these fluctuations here are large and we feel them rising and falling by 20 piasters a day." The governor attributed that to the presence of a kind of harmful speculation.

In dealing with that, the governor of the Central Bank went on to say, "We are now evaluating the situation and we will declare new policies at the right time and in the context of the ongoing evaluation, because it is necessary to monitor the situation and make policy conform to each stage. Although the new monetary policy has provided every possible freedom for creating a strong currency market, what is happening in the market, or happened in past weeks, requires that all the people active in this market be warned of the need to help the authorities stabilize hard currency prices. We expect that they will rapidly cooperate in continuing and making a success of the policies that have been declared, so that we will not be compelled to intervene; however, we will intervene through policies, and not in the bureaucratic manner, because that policy has been tried and has failed and we do not want to repeat it."

The bank's policy may be summarized as encouraging freedom of activity in foreign currency and allowing supply and demand factors to interact so that they may ultimately produce a realistic price representing the real value of domestic currency, while attempting to control the elements of demand (without infringing on the freedom to deal in currency), in order to protect the Sudanese pound. This policy was beneficial in bringing down the price of hard currencies on the black market last year, but the failure of the market, in particular hard currency dealers who have not been given permits and pursue their activity in the black market, to commit themselves, once again disrupted the balance, which prompted the competent agencies to prosecute them in the course of intensified campaigns.

Last October the Central Bank issued specific guidelines to the commercial banks requiring clients to show evidence that they had bought the foreign currency from licensed money changers' offices in the public or private sector before accepting this currency, in order to match import remittance activities, the opening of foreign accounts and the like. On the other hand, the bank had previously issued policies to limit the growth rates of the increase in the currency supply in order to keep public spending down at the real value of national product, in order to avoid increases in domestic prices, a deterioration in the value of domestic currency and increases in the foreign account deficit.

This policy was an extension of efforts begun in 1978 to realize balance in the economy, after it had become plainly apparent that the Sudanese have been consuming more than they produce and importing more than they export. This effort succeeded in reducing the rate of supply of currency in circulation from 42 percent before 1978 to 21 percent in 1980, but it rose to 37 percent in 1983, at a time when domestic product dropped by about 3 percent. The policy declared by the Central Bank in August 1983 reducing the rate of increase in the money supply had an effect on the decline in the indebtedness of the private and public sectors with the banks and the alleviation of one of the main reasons for official devaluations of the Sudanese pound in the past 4 years.

In the context of the balance of payments, in the past decade the execution of major development projects and construction of infrastructure, in addition to the effects of inflation and the rise in the cost of energy, imposed on the domestic economy about \$7 billion in debts which the Sudan is fighting to pay off. However, a number of these projects have not yet borne fruit. The Sudan has succeeded in rescheduling those debts that are due this year, which amount to \$300 million, and it is expected that the amount owing next year, which it is estimated will come to about \$250 million in early 1985, will be rescheduled. This schedule has been given to the Sudan to provide it with the breathing space it needs. Total debts carried over came to about 2 billion, of which \$1.12 billion were the result of the meetings of the first and second Paris club, in which about 15 industrial countries took part. The remaining sum which has been deferred is debts which are owed certain international commercial banks.

It is well known that the reduction of the deficit in the balance of payments and settlement of the deferred indebtedness are two major elements in

the stabilization of the local currency market, and it will be possible to deal with these two elements only by realizing surpluses in production for export alongside sound monetary policies. In this regard, the governor of the Central Bank asserts "We have started to reap the fruit of programs to reconstruct the irrigated agricultural projects which were begun in 1979." In fact, the productivity of irrigated projects, especially cotton, has risen, in spite of the effects of the drought, which have had an effect on the rates of food production, resulting in the exploitation of certain areas in agricultural projects irrigated by Nile water to produce food instead of cash crops, in order to eliminate the shortage in the production of grain, whose production was emphasized in rainwater irrigation projects.

As a result of the agencies' policies for correcting the course of the economy, the balance of payments deficit situation improved in the past 3 years, as it declined from \$1,212,000,000 in 1982 to 769 million in 1983 and 566 million in 1984. In addition, the value of imports declined from \$1,774,000,000 in 1982 to 1,516,000,000 in 1983 and 1,388,000,000 in 1984.

The governor of the Central Bank, Faruq al-Maqbul, considered "The monetary policy that has been propounded has succeeded." With respect to the problem of public spending and the general budget deficit (which has gone on the last 3 years), the governor asserted "This is what the agencies are trying to contain and reduce. If we succeed in this aspect, it will be certain that the balance of payments will improve and the value of domestic currency will rise." There remain the stipulations the governor of the Central Bank has made, that hard currency is sometimes used for purchases that have no connection with imports, and the disruption he referred to regarding some remittances abroad which have been observed and monitored in the context of monitoring and preserving the system of declared monetary policies, which will guarantee the stability of hard currency prices. From another standpoint, the Central Bank is seeking to provide the requisite hard currency for imports and cope with the requirements of government commitments, in spite of pressures and the drop in the flow of the currency, and the infringement on the freedom to deal in currency.

11887

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VARIOUS ALTERNATIVE GEOGRAPHIC SUBDIVISIONS OF SOUTH REVIEWED

London AL-TADAMUN in Arabic No 88, 15-21 Dec 84 p 21

[Article by Fath-al-Rahman Mahjub: "With the Extension of the Period for Dialogue on the South, a Third Option, Between Subdivision and the Unification of the Southern Regions"]

[Text] The 18-month period stipulated in June 1983, which was devoted to digesting the experiment of the resubdivision of the southern part of the Sudan, has ended. It followed a heated discussion which these regions went through after there was a discussion at the level of the central leadership of the Sudanese Socialist Union in February 1981 on whether the time had come to grant the south further delegation of powers for its various areas by benefiting from the lessons of decentralization which had broken the northern Sudan down into five regions in 1980.

A few days before, during his inauguration of the fourth session of the Sudanese People's Assembly, President Ja'far Numayri declared that this period was being extended, to give the south the opportunity for further discussion and study regarding this thorny matter, whether to retain the subdivision of the south into three regions or reunify it, and, on the other hand, to unify measures for elections to regional people's assemblies throughout the country so that they can take place at the same time. A short time before the inauguration of the fourth session of the People's Assembly, President Numayri logged a quick visit to Malakal, capital of the Upper Nile Region in the southern Sudan, the region most affected by the rebellion of its neighbor Ethiopia, where camps for dissidents have been established and the political and executive leaders have been asked to forget their disputes and address the dissidents toward the goal of dialogue, condemnation of violence, and orientation of efforts toward the development and unity of the Sudan.

The most recent news from the southern Sudan concerns the attempt by separatists to attack two civilian boats carrying passengers and mail on the route from Bor to Kusti, at a time in which it was declared that five groups of rebels in the Bentiu area in the Upper Nile had joined in efforts toward a dialogue and abandonment of violence in confrontation with the central government. They had been preceded in this regard by William 'Abdallah Chol

Deng and his group, which had dissented over the organization of the Sudan People's Liberation Army under the leadership of the separatist John Garang. The attack against the two boats took place in an attempt to impose a black-out (particularly in the area of the media) on the entry of additional southern rebels in the dialogue in response to repeated appeals from the central government and the unconditional general amnesty which President Numayri had given everyone who had borne arms against the authorities.

In addition to that, Maj Gen Mustafa Mahmud, the commander of the army in the Upper Nile region and person in charge of holding the dialogue with the secessionist groups which have agreed in principle to lay down arms, declared that these five groups had expressed a readiness to have a dialogue (which is expected to have started now), that the conversations with the William 'Abdallah group which began last October had arrived at a settlement of all military aspects, and that they were now studying political issues which would arise from the question. However, on the basis of a subsequent statement by the secretary general of the Sudanese Socialist Union, Muhammad 'Abd-al-Qadir 'Umar, who, at the head of a high-level delegation from the political organization, visited the three southern regions last week, there are signs which call for wariness and alertness, since the rebels' camps in Ethiopia still exist and are still prepared for action, in spite of the positive atmosphere caused by additional people rallying under the peace banner and the tranquility the Upper Nile region is witnessing.

The secretary general of the political organization declared in the Bahr al-Ghazal region that it would be possible to classify the rebels within three groups. One is Marxist and influenced by foreign countries; this is the group of John Garang. The second are groups which differ with the authorities over decentralization and development policies in the southern Sudan. The third are groups which are motivated by their own interests. The secretary general said that it is possible to conduct a dialogue with the latter two groups and urged the people of the south to take an initiative to control violence and hold a dialogue with the dissidents. The secretary general's appeal again to pursue the policy of dialogue and search for peaceful solutions is supported by the opening of doors to a general discussion on conditions in the southern Sudan which the Center for Political and Strategic Studies of the Socialist Union is carrying out.

In the course of the two discussion sessions which were held in past weeks, a new tendency came to the fore, bearing on a third option for supporters of decentralization and subdivision of the south and people opposing subdivision and calling for the creation of a unified entity for the southern Sudan. Recommendations for a political agency to be established at the head of the three regions which would give that part of the Sudan the desired distinction and would coordinate authority among the three regions became prominent. Meanwhile, some people were considering that the appeal for the creation of a fourth region for the western area would entail further delegation of authority in the southern Sudan. Of course there were people who called for the southern regions to regain their political and administrative unity so that the balance between the north and south would not be disrupted.

In any event, the general situation indicates that the majority is in favor of having the three southern regions remain as they are and accuses the people calling for the reunification of the south of seeking that for reasons relating to their having failed to get positions which had been distributed among people from the tribes and the various areas of the southern Sudan. Of course one of the most enthusiastic supporters of the continued decentralization of the south is the Equatorial Region, whose inhabitants from the beginning took the initiative of bearing the burden of calling for this so that what they wanted would be realized. The leaders of the Upper Nile Region also declared their adherence to decentralization. As the authorities had previously announced, the whole matter is in the hands of the people of the south, provided that the solution be reached through legitimate channels and the minority commit itself to what the desire of the majority expresses. This will have the effect of making the people of the south face their responsibility for ending the state of disruption and rebellion which of course affects the basic goal of building a given political administrative structure, that is, the development and resurgence of the area in the interests of all.

11887

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# PROGRAM TO RENOVATE RAILWAYS DESCRIBED

London AL-TADAMUN in Arabic No 87, 8-14 Dec 84 p 36

[Article by Fath-al-Rahman Mahjub: "Because New Things Are Expensive and the Old Ones Are Available: Upgrading the Railway To Reduce the Oil Bill"]

[Text] The Sudanese Railways' second conference on transactions, which finished up its activities in Khartoum the middle of last month, reminded people of the glories of a facility which had, and still has, its deep, long-range effects on all economic, political and social levels and raised basic, vital issues in a country which, like the Sudan, has embraced development projects with all its power but has forgotten its old assets, as they say, and has oriented itself to "remedying the deterioration in the railway's capacity with great spending on the construction of roads," in the words of its Sudanese Railway Authority planning and economic research advisors.

This conference on transactions came 2 years after the first one. This period has witnessed numerous changes in the context of existing agencies concerned with transportation matters, such as the imposition of new figures at the top in the railway, river transport and air transport organizations, and in the context of the general orientation of the government; these have taken concrete form in the conversion of most productive institutions, especially in the sugar and textile sectors, into public companies in accordance with the 1925 law on companies. The most recent fruit of this orientation has been the conversion of the Sudanese Airlines Authority into a Sudanese air transport company, and the Jordanian airlines, represented by the Alia Company, is playing a big part in this transformation.

It appears that the success of the experiment in liberating the sectors of production by turning them into public companies able to absorb the resources and effort of the local or foreign public sector has prompted the government to expand the experiment to include facilities which are considered part of the infrastructure, or auxiliary to the production sector. While work was underway to baptise Sudanair an "air transport company," President Ja'far Muhammad Numayri sent an explicit letter to the two conferences on behalf of the railways in which he called on them seriously to study the question of turning the railway facilities, "one of the most important assets and bases of our economic resurgence," into a public company. President

Numaryi pointed out to the people at the conference that "words and slogans no longer will build a nation, and neglect of errors and negative points is a source of backsliding and lapses into failure."

At the inauguration of the railway's second conference of transactions, the ministry of transport and communications, Khalid Hasan 'Abbas, pointed to what he had previously declared before the National People's Assembly, to the effect that [because of] the failure to provide spare parts, because of the lack of hard currency available to this facility, the railway's capacity declined from 74 percent of locomotives in 1973 to 53 percent in 1983 and from 75 percent of freight cars in 1973 to 58 percent 10 years later. He gave as an example the obstacles which stood in the way of the Railway Authority, such as the cutoff of electricity in the maintenance shops in the period from July 1983 to October 1984 for a period of more than 207 days.

The authority has actually been suffering from a lack of requisite coordination during the construction of new development projects, in spite of the close ties between them and all projects in the area of transportation and shipment. Indeed, officials in the authority have complained that the public sector and government facilities are now turning to other means of land transportation, in the form of cars and trucks, causing the minister to state that the magnitude of the railway's role in the market for the transport of petroleum products and cotton, basic commodities in the market of goods shipped and imports and exports in the Sudan, has shrunk, all because of the lack of requisite attention in terms of provision of capabilities for this facility. It was pointed out that a study by a consulting firm concluded that raising the railway's competence would mean saving energy, that is, in other words, would greatly reduce the biggest bill the country has to defray annually, one which eats up a large portion of the value of its exports, namely the oil bill. The study determined that the lack of attention to the railway now will in effect cost the Sudan more than \$1.3 billion in losses over 10 years, through reliance on other means of land transport.

Officials in the railway facility believe that in spite of the brain drain the country is suffering from in general in all facilities, there is no problem regarding staffs and competent personnel. However, there is some need to strengthen expertise in some logistical areas such as telecommunications and the signal system, in addition to the two fields of training and storage. Alongside that, some pressure is arising in conjunction with loans. The sum of 13 million from the fifth loan the World Bank offered the Railway Authority, totalling \$36 million, has been allocated to appoint 40 experts, from director general to railway worker foreman, a matter which the minister of transportation described as "unfair and unreasonable." The bank had offered a group of loans previously which were more oriented toward capital investments than the maintenance and repair of existing stock, and they brought in new locomotives, while the old ones that were out of service needed spare parts. This was the case with the bank's loan in 1979, which ignored the need for spare parts, the repair of lines, communications and signals, and the competence of workshops. As regards dealings with Arab funds, the minister described those as complicated and prone to obstacles, since these funds will refrain from carrying out their commitments to the facility if there is a delay in payment of instalments owed by any other Sudanese organization to the funds providing the financing.

Some studies in the railway's second conference of transactions went so far as to link overland means of transport alternative to the railway, the rise in prices of energy the railway requires and the rise in transportation and shipping rates pursuant to that to the insane rise in costs of living and the government's inability to obtain the foreign currency needed to develop the economy. The level of deterioration in performance in this facility shows that what has been shipped, in long tons, this year totals no more than 49 percent of what it had shipped 10 years ago, that is, in 1974.

It is true that in the recent period the Sudan has experienced a tremendous expansion in the transport and shipping sector, that new organizations have been incorporated into the parent railway and the river transport facilities which were subsidiary to it, such as the Sudanese Shipping Lines Company, which is a brilliant success story in this sector, the pipeline organization, and the General Roads and Bridges Organization, in addition to the Sudan Airlines Company, all of which the government owns, and that one of them, the General Roads and Bridges Organization, is basically working to facilitate the movement and flow of land transportation in cars and trucks, whose concentrated use the private sector is receptive to. The railway remains the most venerable of these and a witness to the magnitude of the investment, which is hard to transfer, whether it still exists or not.

11887

CSO: 4504/152

## BRIEFS

ROAD SYSTEM IN AL-JAZIRAH--The inauguration of the al-Duwaym-Rabak Road, whose length totals 110 kilometers, the work on which took 2 and a half years, was celebrated in the Sudan at the beginning of this month. The cost of the road came to 17 million Sudanese pounds, and the West German firm Esterbach Bau built it. The construction of the road was based on a grant in advance from the West German government. The construction of this road is considered the final stage of the Khartoum-Rabak road, which will mean a high degree of communication and interconnection among all the western and eastern regions of the al-Jazirah project, the biggest productive agricultural project in the country. The stages of the road began with the Khartoum-Jabal Awliya' road, financed by American aid in 1963, 36 kilometers in length, and the Jabal Awliya'-al-Duwaym road, 158 kilometers in length, constructed by the West German firm Weiss and Freitag with a loan which the Sudan obtained from the World Bank's Development Agency. [Text] [London AL-TADAMUN in Arabic 15-21 Dec 84 p 34]

OIL PIPELINE PREPARATIONS--A contract was signed in Khartoum for the lease of the land the oil pipeline will cross from production sites in the al-Wahdah fields in the southwestern Sudan to Port Numayri on the Red Sea coast. It is well known that previous projects to build a refinery for the Sudan's oil production have been replaced by the notion of establishing the pipeline, which will transport the crude oil directly to export locations. The lease contract will be in effect from the date it is signed up to the end of the period of the concession of the Blue Nile Petroleum Company, in which the government of the Sudan and the Chevron Company are participating. The route will be 1,405 kilometers long and 40 meters wide. It will pass through four of the Sudan's eight regions, the Upper Nile, Kordofan, the Central Region and the Eastern Region. The estimates of the cost of the project of the line which the Italian firm SNAM Progetti will construct will be \$50 million [sic] and the cost of the production center in the oil fields will be \$80 million. That company also won the bid for this, while a number of contractors will take charge of constructing the terminal. The Sudanese-British firm Mowlem Africa won the bid to prepare the terminal site. The revenues anticipated for the Sudan will come to \$170 million a year on the basis of the export of 50,000 barrels a day. However, the importance of the line lies in its consisting of two lines, one 24 inches in diameter for export, to transport the crude oil from the production site to Port Numayri,

and the other, 10 inches in diameter, to ship the light mix which will help pipe the crude oil. This line will operate in the opposite direction and will be able to transport oil projects from the Red Sea coasts to consuming centers up to the crude oil fields in Bentiu in the Upper Nile. This line will have a great effect in facilitating the transportation and distribution of oil products to remote areas of the west and south of the Sudan. [Text]  
[London AL-TADAMUN in Arabic No 89, 22-28 Dec 84 p 34]

11887  
CSO: 4504/152

## SECURITY TIGHTENS AROUND PRESIDENTIAL PALACE

Tehran SOBH-E AZADEGAN in Persian 3 Dec 84 p 3

[Text] Following the escalation of the guerrilla activities of the Muslim Afghan freedom fighters against the government and Russian occupying forces, severe security measures were taken around the presidential palace of the regime of Afghanistan, completely closing off the street in front of this palace to traffic.

According to a news source for the Afghan freedom fighters in New Delhi, the security in the capital of Afghanistan has become so unsafe for government officials that in addition to security agents, a helicopter provides air protection whenever Babrak Karmal goes from one place to another.

Meanwhile, according to eyewitnesses, three Russian advisors were killed last week in the Makrurian area of Kabul.

The Soviet forces stationed around Kabul, who fear the operations of the freedom fighters, engage in random shootings at night from their barracks. Last week, as a result of such shootings, which involve various weapons, damages were inflicted on Qal'eh-ye Zaman Khan, in the vicinity of Kabul.

## Afghan Airplanes Bombed Two Villages in Pakistan

Six military planes of the Afghan regime bombed two villages in the Shitral area in northwestern Pakistan on Saturday in the course of several repeated air attacks.

According to the FRENCH NEWS AGENCY in Islamabad, based on reports from Shitral, during these attacks several residential units were damaged in the villages of (Arudu) and (Kasu). These sources have made no reference to more casualties in these bombings. It should be pointed out that several Afghan refugee camps are located near the villages of (Kasu) and (Arundu) [as published], which are on the road to the Province of Nurestan in Afghanistan. In addition, a person who has been pursued for a long time for having a hand in several terrorist acts was killed on Saturday while placing a bomb near one of the Afghan refugee camps five km from Pishavar.

# BORDER SECURITY CONSIDERED MAIN OBJECTIVE

Kabul KABUL NEW TIMES in English 18 Dec 84 pp 1, 2

[Text] The Democratic Republic of Afghanistan decisively and firmly support, the cause of peace and security in the region and the world by pursuing a peaceful foreign policy and a policy of peaceful coexistence. As a non-aligned country the DRA is striving for promotion of understanding and mutual cooperation among all peoples of the world including the neighbouring countries, Pakistan and Iran.

The DRA government has always put forward constructive proposals for the political settlement of the situation around Afghanistan through peaceful means between the neighbouring countries in an attempt to maintain good neighbourly relations and to stop intervention in the internal affairs of Afghanistan.

However, regretfully, Pakistan and Iran continue with their hostile actions against the DRA and by sending counter-revolutionary elements through border areas, they keep interfering in the internal affairs of revolutionary Afghanistan. This state of affairs compels the DRA State to adopt serious and practical measures for consolidation of borders which is of great vital significance.

Comrade Babrak Karmal, General Secretary of the PDPA CC and President of the RC of the DRA in the report, presented to the 14th Plenum of the CC of PDPA while pointing out the coward aggressions of Pakistan and Iran in collusion with the reactionary and imperialist countries said: "The Politburo of the CC of the PDPA believes that decisive and urgent measures should be adopted for crushing counter-revolution which is active in the country, and for effective safeguarding and defending the borders of the DRA with Pakistan which has been turned into a fundamental basis of armed aggression of reactionary, imperialist in collaboration Chinese against our country. Similarly, measures should be adopted for protection and defence of borders with Iran. This duty should not only be carried out by our Armed Forces but also by party and state organs in the localities."

The data and statistics available show that great casualties and material losses and damages have been inflicted upon the DRA as a result of subversive activities carried out by counter-revolutionary elements who are trained in 117 military training camps inside Pakistan, Iran and China and are

exported into Afghanistan to murder our brothers and sisters and damage public and private properties. The magnitude of damages, inflicted upon the DRA in the public and private sectors including Mosques, shrines, schools, public vehicles, hospitals, health and medical centers, communication networks and power energy producing institutions, counts for one-fourth of the total volume of developmental investment made in 20 years prior to the victory of the Saur Revolution.

Data, concerning the situation around Afghanistan and the counter-revolutionaries and the aids extended to them by the reactionary and imperialist nations, is indicative of the fact that the revolution of Afghanistan is not only confronted with internal class enemies, but also with broad conspiracies of imperialists and international reaction.

The final analysis of the situation around Afghanistan reveals that the counter-revolution, without the outside support, is not able to disturb and disrupt the peaceful life of the toilers in Afghanistan and cannot resist against our Armed Forces, provided the borders of our country with Pakistan and Iran are properly and strictly controlled and efforts are made for strengthening of these borders as a vital and important issue of our time because the crushing of counter-revolution is the need of our revolution and the demand of our people. The Politburo of the CC of the PDPA has adopted a number of resolutions calling for consolidation of the borders with Pakistan and Iran and drew once again the attention of security, party and state organs and the entire toilers of border areas towards the implementation and realisation of this important resolution.

CSO: 4600/192



MUJAHIDIN LEADER INTERVIEWED ON VARIOUS ISSUES

Tehran SOBH-E AZADEGAN in Persian 4 Dec 84 p 3

[Interview with Ostad Khalil, deputy war commander of the Mujahidin of Jam'iyyat-e Eslami in Balkh Province, by AZADI-YE ESLAMI; date and place not specified]

[Text] AZADI-YE ESLAMI recently interviewed Ostad Khalil, the deputy war commander of the Mujahidin of Jam'iyyat-e Eslami in Balkh Province, the text of which follows:

Question: Thank you for speaking to us. Keeping in mind the sincerity of your experience in struggle, please tell us when you engaged in armed holy war.

Answer: While I thank AZADI-YE ESLAMI for its help in publishing and spreading the news and truth about the Islamic holy war, in answer to your question, I must point out that before the holy war, I was a teacher in Balkh Province and, along with other Muslim brothers, we carried out activities to achieve the goal of an Islamic school. During the period 21 March 1974-20 March 1975, which was the time of the violence of the cruel Davud against the Islamic forces, with a number of other brothers, including Ostad Zabihollah, the present commander of the holy war in Balkh Province, we were imprisoned. The start of our armed holy war, during the period 21 March 1978-20 March 1979, occurred simultaneous with the uprising against the government of Balid Taraki.

Question: Nearly five years have passed since the start of the holy war. During this period, many changes have occurred on the fronts.

If possible, compare these changes and mention how we can end the internal conflicts of the Mujahidin, which is a sad situation.

Answer: Every day of the holy war which passes brings skill and expertise. The brother freedom fighters improve on the battlefield and in war tactics. And their advanced weapons are

those which they have captured from the Soviets. Of course, during this period, the Soviets have made some changes in their war methods and often they have the knowledge to employ deadly weapons. However, despite all the efforts, the Communists cannot save themselves from the course which will end in shame and destruction.

The organized conflicts, which are also conspiracies of the Communists, in my opinion, can only be resolved in one way, which is to appoint individuals on the basis of their piety, because there are weak and impious people who become factors in these conflicts and are taken advantage of by the Russians.

Question: It is heard that, unfortunately, the regular skirmishes between Jam'iyyat-e Eslami and the Islamic revolution movement in many areas of Balkh Province have escalated. How are your relations with the Islamic party fronts?

Answer: The reports concerning the conflicts between the Jam'iyyat and the movement in Balkh Province are groundless. We have no conflicts with the Islamic revolution movement and our relations are good.

Question: It has been known that you have close relations with the Panjshir front. In what areas are those relations and cooperations? Also, explain why the Mujahidin of the Jam'iyyat-e Eslami in Balkh retreated from their central positions in Marmul Province simultaneous with the retreat of the Panjshir Mujahidin.

Answer: With the fronts of the Panjshir brothers, we have complete military, cultural and economic cooperation. We are of the same opinion, and under the present circumstances, we follow the military tactics of the Panjshir front.

Question: What has been used by the Panjshir front and in your opinion by the Balkh front as a tactical "retreat" has created some discontent among the inhabitants of the areas. The major points have fallen into the hands of the Soviets and the holy war forces have been scattered in every direction. What is your opinion in this regard?

Answer: A front or a lasting war in Afghanistan under the present circumstances is impossible. The strong enemy has many resources. With the methods and guerrilla wars, of which the present retreat is one example, the enemy must be confronted. We have complete control over our forces. Soon we will push back the enemy from the areas which have now been captured by inflicting more damages on him.

Question: Let us devote the last question to the political issues of the holy war. What is your opinion concerning the

conspiracies of the oppressive powers under the name of a political solution and the so-called Geneva peace conference as well as the efforts which are being made to show the deposed Zaher Shah as a leader?

Answer: None of the conferences and agreements which take place in the absence of the Mujahidin, without the direct involvement of the Mujahidin, by any side are invalid.

The unconditional exit of the aggressive Russians and the establishment of an Islamic regime is the only way to end the war. The conspiracy to make Zaher out as a leader and elder is also escalated by the Communists and the supporters of the West. What is of concern to the Mujahidin, and we see it in practice, is that Zaher no longer have a base in Afghanistan.

10,000

CSO: 4640/219

AGRICULTURAL DEVELOPMENT RECEIVES SERIOUS ATTENTION

Kabul KABUL NEW TIMES in English 18 Dec 84 p 2

[Text] KABUL, (BIA)--Over 50,000 tons of chemical fertilizers, 5,000 tons of improved wheat seeds, 5,000 tons of cotton seeds and a large quantity of insecticides and pesticides have been distributed to peasants and agricultural cooperatives during the first half of the current Afghan year (beginning March 20, 1984).

This was stated by Abdul Ghaffar Lakanwal, Minister of Agriculture and Land Reforms of the DRA in an interview with Bakhtar correspondent.

He stressed that the PDPA and the DRA pays serious attention to the development of agriculture through land and water reforms and growth of cooperative movement, raising the level of agricultural production and supplying enough foodstuffs to the people. He said, the ministry adopted serious measures for supplying improved seeds to the peasants.

This year over 10,000 tons of improved seeds have been provided by the ministry.

The activities of agricultural mechanized stations have been increased three-fold as compared with previous years and 33 per cent than last year. Right now in Kabul, Balkh, Jauzjan, Herat and Baghlan provinces agricultural mechanized stations. Equipped with modern means are actively functioning he added. "Four modern mechanized units have been set up in Samangan, Kunduz, Ghazni and Farah province.

During the first half of the current Afghan year, about 70 million Afghanis loan, 4,000 tons of chemical fertilizers and over 2,300 tons of insecticides and pesticides have been distributed to agricultural cooperatives ensuring spring cultivation campaign. During the current year's sowing campaign 135 million Afghanis loan, 8,000 tons of chemical fertilizers and a large quantity of insecticides and pesticides have been distributed to the members of agricultural cooperatives, as a result of which the peasants could raise their exports.

Over 2000 additional hectares of land, Lakanwal emphasized, have been cultivated during the current Afghan year as compared with last year. While

evaluating the level of agricultural productions in the provinces of the country, Lakanwal added that a considerable increase in production has taken place in current year, which will meet the needs of the people.

The process of purchasing additional wheat and cotton supplies from peasants by the government is continuing. The government has purchased 56 thousand tons of wheat and over 32 thousand tons of cotton from peasants and agricultural cooperatives which shows twofold increase in comparison with the last Afghan year. The figures themselves indicate the abundance of grains in the country, he said.

The prices of agricultural products, Lakanwal went on to say, as a result of concern measures adopted by the PDPA and DRA have been lowered in the provinces as compared with last year.

The minister while appreciating the gratis aids of the friendly countries on exporting the grains to the DRA, emphasized that, inspite of the sufficient supply of cereals available in the country which fully meet the needs of our people, the process of transferring grains from friendly countries, especially the Soviet Union aimed at providing surplus reserves is continuing.

The minister concluded by saying that inspite of the undeclared war of imperialism against the DRA and the subversive activities of counter-revolution attached to imperialism and regional reaction, great achievements have been scored in the field of agriculture. And in the current year, over 400 tons wheat were purchased from the peasants of Badakhshan and Farah provinces while last year the same area was faced with deficiencies of grains.

CSO: 4600/191

## BRIEFS

IRRIGATION IN NANGARHAR--An irrigation official source of the Nangarhar Province in an interview said: the Irrigation Department of the Nangarhar Province has fortified and repaired the diversion dams of Kama district, and the Sorkhroad district of Nangarhar Province, counting for 5111 sq. meters, during the first six months of the current year. Similarly it has cleaned up 27445 sq. meters in various canals. Of this number, 7945 sq. meters are cleaned by the implements and personal of the Irrigation Department and the rest by peasants in voluntary collective work. The source added: so far 36 Committees of Water Users have been set up in this department. It has drawn up the Water Law and the Regulation for Use of Water in agriculture from the water canals of Kooz Kunar, Sorkhroad, Batikot and Momanddarah districts and Shinwar great district and the centre of the Nangarhar Province. There are 36 water distributors at the head of Water-Users Committees. They cooperate with the land and water reform groups in launching voluntary cooperative work and in controlling and observing the regulation drain up for effective and just distribution of water for agricultural purposes. The source at the end said: right now four technical personnel of the Irrigation Department of the Nangarhar Province are serving in four land and water reform groups. During the first six months of the current year they have been able to determine the water right of 2111 peasants in accordance with the traditions and customs of the localities and to record them in the official land ownership documents. According to data available the total land holdings reach 18744,76 Jireebs. [Text] [Kabul KABUL NEW TIMES in English 17 Dec 84 p 2]

AGRICULTURAL COOPERATIVES IN TAKHAR--The state of the Democratic Republic of Afghanistan has paid much attention to expanding and developing of the agricultural cooperatives in order to increase the level of agricultural productions. In the light of the April Revolution this process goes on successfully throughout the country. For example, 18 agricultural cooperatives are officially active in Takhar Province and have a total capital of 1.942.837 Afghanis. Right now the membership number of the cooperatives have been reached to 3595 persons in the province and during the current Afghan year it is planned to establish three new cooperatives at the level of Takhar area. Likewise, the agriculture and land reforms department of Takhar Province has also launched vast publication programmes among the peasants to propagate the advantages of cooperatives and its facilities through publicity and extension directorate of the province. For this purpose a number of tractors have been given to the members of cooperatives on loan basis. [Text] [Kabul KABUL NEW TIMES in English 17 Dec 84 p 2]

DHAKA REITERATES SUPPORT FOR PALESTINIAN CAUSE

Dhaka THE BANGLADESH TIMES in English 29 Nov 84 p 1

[Text] President Lt Gen H M Ershad on Wednesday said that Bangladesh had always taken keen interest and endeavoured to uphold the just cause of the Palestinian people in all international fora, specially the United Nations, reports BSS:

In a message on the occasion of the observance of International Day of Solidarity with the Palestinian people to day (Thursday) President Ershad recalled that from the very outset Bangladesh had actively advocated for the establishment of the right of the Palestinian people as a nation.

The President conveyed deep appreciation of the government and people of Bangladesh to the committee on the exercise of the inalienable rights of the Palestinian people in projecting their just cause.

Humayun Rasheed

Adviser for Foreign Affairs Mr. Humayun Rasheed Choudhury has reaffirmed Bangladesh's total support to the just and legitimate cause of the Palestinian people for the achievement of their rights and the establishment of a state of their own.

Bangladesh has always endeavoured to project the cause of the Palestinian brethren in all international fora and has taken keen interest for the realisation of their just and inalienable rights, Mr Choudhury said in a message on the occasion of observance of International Day of Solidarity with the Palestinian people.

CSO: 4600/1221

REPORT ON VISIT OF BRAZILIANS GOODWILL DELEGATION

Dhaka THE BANGLADESH TIMES in English 29 Nov 84 p 3

[Text] The four-member Brazilian goodwill delegation, headed by Lt. Brig. Alfredo Henrique Berenguer Cesar, Commander of the Air General Command of the Brazilian Air Force, left Dhaka on Tuesday on conclusion of a four-day visit to Bangladesh, reports BSS.

Before its departure, the delegation called on Air Vice Marshal Sultan Mahmud at Air Headquarters where final round of discussions were held between the two sides. Matters of mutual interest were discussed in a most cordial atmosphere.

The possibilities of sharing knowledge in various fields of science and technology and development of trade were also discussed.

The DCMLA appreciated the visit of the Brazilian delegation and said that the existing cordial relations between the two countries would definitely be strengthened in the years to come.

The delegation spoke very highly of the efforts and progress made by the Government and the people of Bangladesh.

Award Conferred

Earlier, the Ambassador of Brazil in Bangladesh arranged a return banquet in honour of the DCMLA and Chief of the Air Staff Air Vice Marshal Sultan Mahmud where he was conferred the "Order of the Aeronautical Merit" by the government of Brazil. The Ambassador of Brazil in Bangladesh Mr Antonio Conceicao conveyed the award conferred by the President of the Federative Republic of Brazil on November 14.

CSO: 4600/1221



PRESS REPORTS APPROACH TOWARD THIRD 5-YEAR PLAN

Three Models Combined

Dhaka THE NEW NATION in English 30 Nov 84 pp 1, 8

[Article by Syed Badiuzzaman]

[Text] The Planning Commission has finally decided to formulate the Third Five Year Plan on the basis of a combination of three models for the first time marking a major shift from the conventional pattern.

The models on which work is going on now in full swing are the conventional Input Output Model, the sophisticated General Equilibrium Model and Bangladesh Agricultural Model (BAM) prepared by the experts from the Netherlands.

Initially the Planning Commission decided to formulate the Third Five Year Plan exclusively on the basis of the General Equilibrium Model. But later this plan was abandoned and the planners began to combine three models because of "the time constraints."

It may be pointed out that the General Equilibrium Model termed as "sophisticated" by the economists and planners is generally followed in the developed countries where necessary informations and data are always available.

The first and second five year plans of the country were formulated on the basis of the Input Output Model. But for the Third Five Year Plan, the planners are trying to do something new for bringing about a change in the socio-economic conditions of the people particularly the landless and the downtrodden.

It was learnt from reliable sources that the experience of the first and second five year plans which failed to make any impact on the economic and social conditions of the country prompted the planners to do something new for the third plan as "a sort of experiment".

The sources said the landless peasants and the downtrodden people would be prominently focussed at the Third Five Year Plan which would also provide adequate emphasis on distribution of national income and on "individuals" unlike the first and second five year plans.

The entire population of the country, for the Third Five Year Plan, scheduled to be launched from July next year has been divided into ten socio-economic groups. These are landless, small farmers, medium tenants, medium owners, large farmers, largest farmers, rural informal, rural formal, urban informal and urban formal.

The planners are now very much busy with the statistical work as the "theoretical structure of the plan has to be completed by December this year and the draft plan has to be formulated by March next. The programming of the model which is a fully computerised work is likely to be done at the Centre for the World Food Studies in the Netherlands because the Planning Commission does not have such a sophisticated computer.

#### Planning Strategy Examined

Dhaka HOLIDAY in English 30 Nov 84 pp 5, 11, 13 15

[Article by S. A. Samad]

Excerpts] 3. The Third Five Year and Perspective Plans

The following reporting is based on two official documents of the government of Bangladesh:

- a) Thoughts on the Third Five Year Plan and
- b) Thoughts on the Perspective Plan.

The total projected expenditure during the Third Five Year Plan period (1985-'90) has been estimated at Tk. 284,810 million-representing a 65 per cent increase over the revised SFYP outlay (in constant 1979-'80 prices). The following major targets would be set for achievement during the Third Plan period:

- i) a growth rate of 6.8 per cent per annum:
- ii) lowering of the rate growth in population to 2.2 per cent per annum;
- iii) reaching a per capita income figure of US\$206.

The Third Plan is expected to bring about marked structural changes in the economy, by lowering the share of agriculture in the gross domestic product to 45 per cent, raising the share of the vital manufacturing sector to 12 per cent. The priority sectors identified for bulk of the investment are: Agriculture, Family Planning, Energy, Health, Education and Welfare.

A qualitative change in the pattern of public investment would witness the social sectors claiming for the first time a significant proportion of investible resources. Domestic resource mobilisation, employment generation and balance of payments equilibrium have been stressed. Domestic savings rate has been projected to rise to 11 per cent of the GNP and Investment: GNP ratio for the terminal year of the plan would be 20 per cent.

### 3.1 The National Perspective Plan (1980-2000)

The broad socio-economic objectives of the long-term Perspective Plan are:

Provision of the basic needs.

b) Secular economic advancement at the rate of 7 per cent per annum for the period.

c) Universal, free and compulsory primary education.

d) Full employment.

e) A population of around 120 million.

f) Structural transformation of the economy by lowering the share of the primary sectors and increasing that of the secondary and tertiary sectors.

A self-reliant and economically balanced Bangladesh has been projected by the turn of this century. Some of the economic parameters forecast are reported below:

i) External Assistance, GDP ratio would come down to 6 per cent from 10 per cent in 1979-'80, the benchmark year of the Perspective Plan.

ii) Savings rate would rise to 16 per cent.

iii) Investment, GDP ratio would shore up to 22 per cent.

iv Tax; GDP ratio would mount to 16 per cent.

v) Per capita GNP would approach US \$ 360, an increase of 157 per cent over 1979-'80.

vi) Rate of growth of population would stabilise around 1.3 per cent.

#### Future

On the basis of minimum per capita calorie requirement of 2200 units per day, 75 per cent of the people of Bangladesh are below the poverty line now. The perspective Plan has laid heavy stress on poverty eradication by redirecting investment in the rural areas where bulk of the population on Bangladesh live.

Land Reform measures form an important part of the rural development programme components. Growing landlessness over the recent past has caused considerable concern to successive governments. In the face of growing unemployment the problem of landlessness becomes even more alarming. Measures in terms of land reforms would protect the tenants' occupancy rights on land, safeguard the rights of agricultural labour and enforce a minimum wage for them.

The ceiling on ownership of land would be brought down and lands released pursuant to this measure would be utilised for the landless group. The Perspective Plan also focuses on small scale and cottage industries for income and employment generation in the rural areas. The role of the private sector would be vital in this sector. Fiscal, monetary and incomes policies would be redesigned to provide the needed incentives to the private sector.

Health, Energy and physical and social infrastructures would receive preference in terms of allocation of investment. In short, the blueprint of a happier Bangladesh is contained in the Perspective Plan outlines. This blueprint is tentative as yet. It can however be hoped that the successful implementation of the remainder of the second and the third five year plan would make the contours of the perspective plan better visible.

## APPENDIX 2

### a) Annual Development Programmes

Number of Projects Targeted for				
Year	ADP	completion	Completed	4/3 in %
(1)	(2)	(3)	(4)	(5)
1976-'77	1,477	175	78	45
1977-'78	1,519	391	144	37
1978-'79	1,458	261	116	44
1979-'80	1,406	508	359	71

Source: Implementation, Monitoring and Evaluation

Division, Government of Bangladesh

Sectoral allocation of the ADP 1983-'84

(Figures in Crore taka) 1 crore - 10 million

Total		Amount	Per cent
1. Agriculture, Flood Control, Water Resources, Rural Development and Divisional Development Boards		3,483.86	100.00
2. Industry, Power, Natural Resources, Scientific & Technological Research		1,036.35	30.00
3. Transport, Communication and Mass Communication		423.88	12.00
4. Housing & Physical Planning		159.35	5.00
5. Education, Religious Affairs, Sports and Culture		150.27	4.00
6. Health, Population Control, Family Planning, Social Welfare, Women Affairs and Youth Development		191.27	6.00
7. Development of Thana (Upazila) infrastructure and Assistance to Upazila Parishad		338.30	10.00
8. Others		89.64	3.00

Source: Annual Budget 1983-'84, Government of Bangladesh

### APPENDIX 3

#### Comparative Growth Profile in the two phases of the First Five Year Plan

Items	1973/'75	1975/'78
1. Mean annual growth rate (%)	5.7	6.4
2. Gross Investment: GDP ratio	6.3	13.5
3. Net Capital inflow as percentage of GDP	7.2	8.8
4. Gross Domestic Savings: GDP ratio	--	4.6
5. Tax: GDP ratio	4.3	7.9
6. Production of foodgrains (million tons)	11.2	13.1

Source: The Second Five Year Plan: op cit.

### APPENDIX 4

#### a) Wage Rate Indices (1969-'70/100)

Year	Nominal Wage indices Manufacturing				Nominal Wage deflators (of industrial workers)
	General	industry	Construction	Agriculture	
1972-'73	130.74	134.39	132.26	128.78	193.46
1973-'74	173.07	171.23	201.10	185.61	268.27
1974-'75	221.31	192.37	263.68	261.40	430.68
1975-'76	243.97	204.90	305.31	272.17	364.60
1976-'77	252.07	222.39	310.75	267.74	354.03
1977-'78	279.81	251.30	333.89	311.63	419.27
1978-'79	346.25	318.01	413.84	370.42	457.55
1979-'80	432.95	389.04	491.69	443.31	525.68
1980-'81	492.09	452.27	544.60	482.01	568.10
1981-'82	566.16	515.25	616.30	[566.08]	656.15
1982-'83	598.11	658.02	677.20	555.38	683.56

CSO: 4600/1222

# EXPORT BUREAU REPORTS DROP IN EARNINGS

Dhaka THE BANGLADESH OBSERVER in English 25 Nov 84 pp 1, 12

[Text] The country's export earnings during the first four months of the current fiscal year stood at Taka 738.30 crore (equivalent to US dollar 294.73 million) as against Taka 599.44 crore (equivalent to US dollar 246.68 million) during the corresponding period last year.

Export Promotion Bureau (EPB) on Saturday reported that the export earnings registered a rise of 23.17 per cent in Taka terms and 19.48 per cent in dollar terms during July-October period of 1984-85 over the related levels in the corresponding period last year.

The EPB did not give any figure about the export performance in physical terms. According to knowledgeable circles the physical volume of exports during the first four months of the current financial year was substantially lower than the level during the corresponding period last year. The shortfall in physical volume of exports was recorded in the case of all key export items like raw jute, jute goods, tea, and also items like hides and skin. The same circles noted that the higher export performance in financial terms was mainly due to fortuitous price gains in the international market in some primary commodities. The shortfall in physical volume of exports reflecting the lower level of availability of exportable surplus will make it difficult to sustain the export growth on a viable basis, they observe. The knowledgeable circles point out that there has been a setback in the export trade diversification leading to a drop in the export earnings from the non-jute sources.

The EPB figure has also confirmed the point made out by the knowledgeable circles about the export of non-jute sector. In the overall export earnings, the share of the jute sector stood at 59.57 per cent and that of the non-jute sector 40.43 per cent during the first four months of the current financial year as against such shares at [number illegible] per cent and 44.80 per cent respectively during the corresponding period last year.

The knowledgeable circles are meanwhile apprehending an adverse impact of the current year's supply constraints and upward price jolts in case of raw jute and jute goods upon the export trade next year. The phenomenal price upswing and supply constraints may lead to loss of international markets next year in raw jute and jute goods. Bangladesh, to mention here, is the major supplier of raw jute and jute goods in the international markets.

According to the EPB, the share of primary commodities in the overall export earnings during July-October, 1984 stood at 33.42 per cent (Taka 246.71 crore) and that of manufactured goods, at 66.58 per cent (Taka 491.59 crore) as against 35.48 per cent (Taka 212.67 crore) and 64.52 per cent (Taka 386.77 crore) during the corresponding period last year. The traditional items accounted for 58.94 per cent and the non-traditional items, 41.06 per cent of the overall export earnings during the period under review. The shares of the traditional and the non-traditional items stood at 63.46 per cent and 36.54 per cent respectively during the corresponding period last year.

The EPB claimed in its Press release that the export earnings in the non-traditional sector increased by 34.27 per cent in terms of US dollar during July-October, 1984 as compared to the corresponding period of the last year. Among the principal items, there has been an increase in the export earnings during the period under review over the corresponding period last year in the following manner: raw jute--68.18 per cent, jute goods--26.12 per cent, leather--8.35 per cent frozen food--11.75 per cent and readymade garments--259 13 per cent.

CSO: 4600/1220

HASINA SCORES DENATIONALIZATION OF BANKS

Dhaka THE BANGLADESH OBSERVER in English 22 Nov 84 pp 1, 10

[Text] Sheikh Hasina, President of Bangladesh Awami League and a leader of the 15-party Alliance criticised the disinvestment policy of the Government and opposed the handing over of the Pubali Bank to private sector. She sounded a note of warning against those who were purchasing the shares of the bank warned them of dire consequences.

Speaking as the chief guest at a rally organised by the Pubali Bank Employees Union to resist the handing over of the bank Sheikh Hasina strongly defended the nationalisation policy adding that her father Bangobandhu Sheikh Mujibur Rahman nationalised banks, insurance companies and industries for the economic emancipation of the masses.

She also alleged that the properties and assets of the Pubali Bank estimated at about Taka 300 crores was now being sold at Taka 16 crore to the private owners. Sheikh Hasina said that the disinvestment policy of the Government was a clear deviation from the objectives of the Liberation War. She however, gave a broad hint that for the sake of industrialisation mixed economy could be retained keeping the nationalisation policy intact.

Messrs. Rashed Khan Menon, Shahjahan Siraj Akhtaruzzaman, Vice-President of the DUCSU, Dilip Barua Kamal Hyder Shah Alam Hasan Ali A.F.M. Mahbubul Huq, Atiar Rahman Habibur Rahman Shah Mohammad Abu Zafar Mahmudullah Chowdhury Rezaul Karim Abul Kashem and Ajoy Roy also addressed the meeting.

The Awami League chief asserted that all the nationalised banks had been running on profit. Eleven thousand bank employees have been thrown out of their employment and some of them have committed suicide due to poverty, she alleged.

Sheikh Hasina observed that the present Government is ignoring the demands of the people as it came to power through the use of arms. In this context, she said only a peoples' government could solve these problems. The people had already rejected the present Government by participating in the October 14 national rally, she added.



She said that a huge amount of loan was drawn from the nationalised banks by a powerful quarter. She also expressed her concern over the outstanding loan of the BSRS and the BSB amounting to Taka 400 crores.

#### ADB's Concern

Sheikh Hasina remarked that Asian Development Bank has also expressed its grave concern over the shattered economy of Bangladesh. But the Government is unconcerned about the present state of affairs.

She alleged that the bribe and corruption have increased manifold during the present regime. She said under Martial Law regime we cannot expect economic emancipation. She said that we have given five-point demand through which the hopes and aspiration of the people will be fulfilled.

She reiterated that 'we believe in democracy, therefore, we want to go to power through democracy'. She said that we demanded election under a neutral care-taker government. Sheikh Hasina also warned those who are using the Armed Forces for personal gains.

She called upon all to be united for the realisation of the five-point demand and make the hartal on December 8 a success.

Mr Rashed Khan Menon in his speech said that the imperialist power is still active to destroy our economy.

Mr Shahjahan Siraj said that the present government had pursued a suicidal policy. He called upon all patriotic forces to resist the undemocratic and anti-liberation elements.

The Pubali Bank Employees Union announced its future course of actions in the meeting which include country-wide protest meetings and demonstrations on December 24 observance of a token strike on December 26 from 9 a.m. to 4.30 p.m."

CSO: 4600/1219

## RAJIV SPEECHES LAUNCHING ELECTION CAMPAIGN REPORTED

## Speech at Government College

New Delhi PATRIOT in English 2 Dec 84 p 1

[Article by Shahira Naim Bulandshahr]

[Excerpt]

Exactly a month after assuming office Prime Minister Rajiv Gandhi launched his party's election campaign with an attack on opposition leaders for promoting anti-national and secessionist forces in the country.

In his 20-minute speech at the Government Inter College ground here this morning, Mr Gandhi asked people to be very clear on who was for, and who against the Akalis and extremists in Punjab.

Mr Gandhi ruled out the acceptance of the Anandpur Sahib Resolution but said the demands of Akalis relating to territory and river waters would be considered. He said the resolution, if accepted by the Government, would disintegrate the country. Besides, the Constitution did not permit acceptance of such a resolution. He accused the Opposition for adopting an ambivalent posture on the resolution.

Charging all opposition parties, including the BJP and the Lok Dal of attending the Akali conclave, he said that they were not only upholding the cause by pushing it ahead but also bringing things to such a situation that the Army had to enter the gurdwaras.

He pointed out that forces were pressurising the country for the last few months and Mrs Indira Gandhi saw it all. "Finally they played their dirty trick in assassinating her. But their hopes were belied when we did not break into pieces and did not fight each other", the Prime Minister remarked. "This was because she was not only a person, her principles and ideology are still with us. Her soul is still with us", he explained.

Talking of his party's efforts to give the country a pride of place in the world, he asked the people to think who can

keep them united and integrated.

Outlining his task, he said that we have to see that no voice for partition of the country is raised. "We will see to it that our country's each community, caste and region gets equal opportunity and security and no one thinks that they are second or third class citizens", he emphasised.

Asking the people not to let Mrs Gandhi's martyrdom go waste, he said that the world had seen many independent nations getting enslaved again. "Today in many countries people have nothing to eat. Due to our right policies India is independent and despite the great tragedy which has befallen us, is one, strong and can face the forces of the

world", he said amidst loud applause.

Stressing on the development in the country during the last five years, Mr Gandhi said that the growth rate was higher here than in the US and the UK. "When the whole world is troubled with debt we have shown them a way by returning the IMF debt in time".

He warned the country against the parties which betrayed the nation in 1977 by leading it to the brink of collapse. He asked the people to strengthen the hands of those with definite programmes and policies rather than those with just promises.

Highlighting India's achievement in the international arena, he said that the Congress-I Government had not only

emerged as the party of the oppressed and the downtrodden of the country, but had become the voice of the suppressed in the whole world.

The Government, Mr Gandhi said, had launched various schemes for the welfare of the masses, specially the weaker sections, Harijans and backward classes. He also appealed to the youth to come forward and shoulder the responsibility of building a strong and stable India.

### Text of 1 Dec Aligarh Speech

Calcutta THE TELEGRAPH in English 5 Dec 84 p 6

[Text]

**N**arain Duttji Vishwanathji, our candidates Puran Chandji, Usha Tomarji, mothers and sisters, elders and brothers.

Just now Narain Duttji said, that voice which listened to is no more. But that voice was such a voice that it can never leave us. The voice that showed us the way will in future also show India the way, it will keep India united and will make India great. Indira Gandhi's assassins had thought that she would die with their bullets. They did take away her body from our midst but her thoughts, her principles, her spirit are with us. (Applause). We will run the country on the same lines. We will spare no effort to face the international powers and to make our country strong and powerful.

Today we are seeing that the forces in the country that are trying to break our country and weaken us are gaining strength. We have to face these. We have to see that no such force can grow that can make our country weak or divide our nation into bits. We have to see that Bharat's janata unitedly fights for Bharat's unity and sovereignty. We have to see that wherever, whosoever is trying to weaken India, or is trying to promote such forces which weaken our nation, are removed from our midst and put behind us.

Today elections are being held. In our country we consider elections to be a very ordin-

ary thing. So many times elections have been held, people have cast their votes, the governments have been changed. But in other countries of the world this does not happen. There are several countries which gained freedom along with us but do not have elections, the people there do not have this power, it has been taken away from the people's hands because they did not pay attention to the kinds of forces that were at work in their countries. Today when we see such forces growing in Assam, in Punjab, in Kashmir which are bent upon breaking our nation we must unite to finish them. We must pay attention to who stood up to challenge them, to face them. There are many political leaders who just talk, they say big things but when it comes to facing these forces, when it is a question of the country, then only the Congress can be seen in the field. We have seen what happened in Punjab, what happened in Assam and Kashmir. When the Assam movement began—when did it begin? It began during the time of the Janata government. They sowed the seed and the poison spread from there. The Congress controlled it. This is what happened in Kashmir, and this happened in Punjab. The poison affected these areas in 1978. The seeds were sown in 1978, it kept on increasing because these movements were being supported by all our

Opposition leaders. The Akali Dal leaders attended the Opposition parties' meetings, they used to place their demands before the Opposition

parties. What kind of demands? There were a few genuine demands...demands for water, for territory, we can have talks on this, but their Anandpur Sahib resolution—this resolution was aimed at breaking up our country. Anandpur Sahib resolution which is not in our Constitution, by which our country would have finished—our Opposition leaders wanted even this to be accepted.

Today after so many big events they have not understood, they are not seeing who is trying to break up the country, they are not understanding that if they do not raise their politics above religion, language, caste and creed this country will remain weak.

Today we have to see that we elevate our politics and not run it on such issues that weaken our country or break it.

Today we have to pay attention to the kinds of pressures that are being exerted on our country. In our neighbouring countries new kinds of weapons are being brought. This has to be contested. The country has to be prepared. This cannot be done by fighting amongst ourselves but by remaining united and by speaking with one voice.

Today there is need for India's people to unite and make the Congress strong. Because only the Congress can keep this country united and strong. Only recently we have seen the Opposition has been talking of unity but those who cannot unite to fight the elections, how can they unite to run the country? (Laughter and applause). We have seen from 1977 till 1980, how in three years they have finished the country. Where our industries were increasing they closed them down, where agriculture was increasing they stopped it, where Bharat was considered a great nation in the world they took away its respect. But from 1980 till 1984 Indiraji and the Congress once again brought the country on the right path. Industries increased, kisans' output increased, some pride returned to the people of this country. This pride, this show has made us. We have to make India great, we have to make it grow. We have to make our candidates successful. Usha Tomarji and Puran Chandji, both of them will not only work for you

but for India's unity. They are working to make India great. The enthusiasm you are showing you should keep it going. Make the Congress strong so that we can take India on the path of progress and success.

The weaknesses in our political and administrative system, either of governing or corruption, we have to remove these. We have to see that administration returns to the country, that corruption is removed. We will put all our strength in this. We will put our strength to keep the country united and strong. We will see that no one irrespective of religion, caste, language or creed is left behind or does not receive justice. You have to see that the Congress is strengthened. Make our hand strong, give your support to our hand and this hand will work for you, for your progress and for the country's unity and sovereignty. I thank you for this welcome and for coming here so early this morning and with such enthusiasm. At the end along with me say loudly 'Jai Hind.' That was a not loud enough 'Jai Hind.'

CSO: 4600/1206

## REPORTAGE ON REACTION TO BHOPAL TRAGEDY

## 'Disastrous Negligence'

Calcutta THE TELEGRAPH in English 5 Dec 84 p 6

[Editorial]

[Text] The tragedy in Bhopal in which highly lethal methyl isocyanate gas from a Union Carbide pesticide plant has so far taken a toll of over 600 lives has all the makings of a disaster movie put together by prophets of environmental doom, with the only difference being that this one is for real. Protagonists of industry and governments whose foremost concern is the protection of their profits have all along dismissed fears of such disasters as highly exaggerated and it now remains for us to contemplate the disaster after it has taken place to find out where things had gone wrong so that such horrors are not repeated. The first stark reality that stares us in the face is that there are double environmental standards for industry handling dangerous materials, with the Third World becoming a 'pollution haven' for technologies that have been banned in the West for the hazards they pose to the lives of those around them. It is noteworthy that in a related matter, the Carter administration in the US had banned the foreign sale of material that could not be sold by US companies at home. The Reagan administration has of course reversed this by leaving it to Third World governments to ban the sale of such substances in their own lands, quite oblivious of the fact that such governments and multinationals are often unequal parties on such issues. The other fact that stares us in the face is the cavalier attitude of our government to environmental dangers in matters of choice of technology and location of our industries. One shudders to think what we have been letting ourselves in for during the present phase of open door policy for foreign technology which has not been marked by any visible concern for environmental safety. The Prime Minister, Mr Rajiv Gandhi, has said that the government has indeed been thinking about the matter for about a year, but obviously nothing concrete has been done on the issue. It is tragic that the industrial location policy will be reconsidered only after disaster of such magnitude has already struck.

Why the accident took place is not yet known and we will have to await the verdict of the judicial inquiry to learn what grave safety and technical lapses had precipi-

tated it. There are already reports that speak of a similar accident some years ago at the same plant in which a few workers died. The workers' union has alleged management negligence and it has also been averred that corporate interest in the unit was low because of its unprofitability. What is most shocking is the initial vague and guarded reaction of Union Carbide on Monday. It is only after the full dimensions of the tragedy became known to the management yesterday that it came out with a statement that was in consonance with the scale of the catastrophe. The biggest question that will have to be faced squarely is how a leading multinational which lives by its claims to technological and managerial excellence could have been so lax as to have allowed such a thing to happen.

#### Duties of State, Public

Madras THE HINDU in English 5 Dec 84 p 8,

[Editorial: "The Bhopal Tragedy"]

[Text]

THE HORRENDOUS TRAGEDY brought about by the leak of toxic gas at the Union Carbide pesticide factory in Bhopal has been described as the worst environmental disaster in history. The immediate priority is to provide treatment to the seriously ill, many of whom are battling for their lives, rehabilitate them and provide relief to the affected families. An enquiry is on to determine if there was any criminal negligence involved in the operations of the plant. But the fact that the highly toxic methyl isocyanate continued to leak for nearly an hour and turned the neighbourhood into a virtual gas chamber makes it clear that there has been an inexcusable failure to discharge the responsibility on the part of those engaged in an inherently hazardous activity. Nor can the State Government, which is charged with the task of inspection and enforcement of regulations and of ensuring safety in factory operations, escape blame. The Central and the State teams will doubtless be examining whether the safety features provided in the plant were adequate — a worthwhile exercise would be to find out if these matched the safety standards built into a similar plant of the company in the United States — and the maintenance and operations were sound.

The accident at the atomic power plant at Three Mile Island in the U.S. — where, in contrast, the safety systems came into play to prevent a major disaster and loss of lives — led to a fundamental re-examination of the design, operations and safety features in nuclear stations the world over and the dangers associated

with nuclear power plants have been greatly reduced. The Bhopal tragedy should trigger such an evaluation in the chemical industry, particularly where highly toxic and hazardous materials are involved. As an immediate measure, the Union and the State Governments should take up the inspection of such plants, starting with those in the thickly populated areas. Studies by international agencies have revealed that the regulations on the production and use of pesticides are much less stringent in the developing countries than in the West — this is part of the attraction for chemical firms — and that even if the regulations exist on paper they remain unenforced as the technical and the administrative machinery are weak. A close look at the regulations covering the production, handling and use of dangerous chemicals is clearly called for; in a matter affecting the lives and the health of the people, no slackness and no compromise should be allowed on such considerations as cost. And the inspection wings of the State Governments have to be strengthened. Industry as a whole needs to be prodded to reexamine the safety and the health aspects in the factories and take quick measures to correct any flaws. Monday's tragedy has also brought out the folly of locating a plant producing an extremely toxic chemical so close to a major city, exposing a large population to risk. A wider awareness of the dangers must be brought about among the citizens and political parties and public action groups have ever to be vigilant and point to specific weak spots, callousness or inherent dangers in industrial operations without at the same time allowing a hysteria to be built up against the chemical industry or any other.

## Chemical Expert's Warning

Madras THE HINDU in English 5 Dec 84 p 9

[Text]

NEW DELHI, Dec. 4.

Chemical time bombs like the one that went off in Bhopal yesterday are ticking in several parts of the country, a chemical expert warned today.

One of them was at the Indian Petrochemicals Corporation Limited in Baroda where a huge tank was storing hydrocyanic acid that was several times more toxic than the methyl isocyanate (MIC), that killed over 500 in Bhopal.

"If that tank leaks, the whole of Baroda may be wiped out," he cautioned. But safety at the IPCL plant is so stringent that no accident has occurred in the last seven years."

He said the Union Carbide plant at Bhopal was not the only place where the dangerous MIC was being produced in the country.

"Six other companies engaged in the pesticide business are making MIC under safety conditions far less than what obtained at the Bhopal plant of the multinational."

**Traffic in phosgene:** The companies had been licensed to make MIC despite the advice by some that the gas should be made in one plant and supplied to the pesticide manufacturers.

The mushrooming of pesticide manufacturers in the country had given rise to an immense traffic in phosgene, a highly poisonous raw material for pesticides.

Small pesticide manufacturers purchased phosgene from any wholesaler and phosgene gas bottles were being trucked all over the country.

"Each phosgene bottle is a time bomb", the chemist warned. "If a single bottle leaks, several people will die".

**Company off limits:** Another expert said the Union Carbide plant was off limits even to Government officials as the company zealously guarded its technology.

He did not know if the company was pro-

ducing any other toxic chemical in the plant for which it was not licensed.

He said the company must have shut down the plant years ago as it was not making a profit following the advent of a potent group of pesticides known as synthetic pyrethroids.

**Scientists blamed:** Observers here are critical of the scientific agencies for not properly advising the people of Bhopal on how to protect themselves from the poison cloud.

"The fleeing people were not told which direction was safe and many might have taken the road to death," said one. The weathermen could have given a warning based on wind direction and humidity.

Surprisingly the Department of Environment and the Pollution Control Board here came to know of the accident 15 hours after the gas leak. "We were not alerted," one of the officials said.

No aircraft was deployed to collect air samples and there was no evacuation. "The tragedy has put to test our ability for disaster management," they said.

**BJP's complaint:** The BJP leader, Mr. S. L. Patwa, who is also the leader of the Opposition in the Madhya Pradesh Assembly, said his party had demanded action in the past against the Union Carbide for having their plant near the residential area and not following proper safety standards. "But no action was taken by the Government".

He demanded that special arrangements be made for bringing medicines from outside.

**State Government blamed:** The former Union Industries Minister and Janata leader, Mr. George Fernandes, today blamed the Madhya Pradesh Government for the Bhopal tragedy and alleged that the Government had arrested those who agitated against industrial pollution.

—PTI.

CSO: 4600/1206

## BRIEFS

INDO-CZECH TRADE--New Delhi, Dec. 2--The Indo-Czech trade protocol for 1985 envisages a Rs 44-crore turnover between the two countries. Under the protocol, signed in Prague recently, Indian exports in 1985 would consist mainly of farm products, textiles, [text missing] goods, minerals and ores, chemical and allied [text missing] items. [Text] [Calcutta THE STATESMAN in English 3 Dec 84 p 11]

CPI-M ON BHOPAL--New Delhi, Dec. 4. The politburo of the Communist Party of India (Marxist) today demanded that the Government immediately take over the Union Carbide plant at Bhopal and make the management pay full compensation to the families of those killed and otherwise affected by the poisonous gas which leaked from it. In a statement on the tragedy, it said: "It is well known that the plant was using a very risky process for manufacturing pesticides. Accidents had taken place before in this plant--in 1978 killing six persons, in 1981 and 1982 killing about 10 workers. "These should have served as a warning to stop the activities of the plant. That was not done because a U. S. multi-national was involved. The result is yesterday's huge death toll. "It is necessary to institute a proper inquiry not only to nail down the culpability of the multi-national's management but also to find out why the State and Union Governments despite the earlier accidents, failed to take any measures to prevent such a large-scale loss of life." [Text] [Madras THE HINDU in English 5 Dec 84 p 6]

HARYANA MINISTRY EXPANDED--Chandigarh, Nov. 30: Two Cabinet Ministers were today inducted into the Bhajan Lal Ministry in Haryana, raising its strength to 21. The Assembly strength is 90 members. The two Ministers--Mr. Sagar Ram Gupta and Mr. Goverdhan Dass Chouhan--were administered the oath of office and secrecy by the Governor, Mr. S. M. H. Burney at a function in the Raj Bhavan. Mr. Chouhan had resigned as a Minister of State in June last year along with five other Ministers, in protest against the sacking of the then Industry Minister, Mr. Lachman Singh. Talking to newsmen later, Mr. Bhajan Lal denied that today's expansion was in any way connected with the Lok Sabha poll.--PTI [Text] [Madras THE HINDU in English 1 Dec 84 p 7]

CSO: 4600/1215



KHOMEYNI: ISLAMIC JIHAD CALLS FOR PROPER CONDUCT

Tehran SOBH-E AZADEGAN in Persian 9 Dec 84 p 15

[Text] The most important thing that distinguishes the "Islamic holy war" from other wars in history is the victory of the moral element over international relations and combat regulations during the war. Even in the heat of war, Islam does not forget that its goal is to reform human society and spread moral and humane virtues. It does not forget this sacred goal for one moment and observes this essential principle under all circumstances. During the war also, it strengthens and solidifies the humane, moral principles among human beings.

The casualties and damages which have been inflicted on the society through holy war have been compensated by Islam through the power of "morality" and human behavior in the course of history. If other nations become moral at times, it is only during times of peace and reconciliation. Otherwise, on the battlefield and in conflict, moral principles and high human virtues are forgotten.

Freud, the famous psychologist, explains in a speech:

"During war, governments consider what is forbidden to individuals in peace time to be permissible. In this manner, individuals are able to realize most hatefully what they vaguely feel during peace and understand that if a government prevents individuals from violence and injustice, it is not because it intends to fight injustice or moral violations, but it intends to monopolize injustice and oppression for itself, as it does salt and tobacco.

"During war, governments consider it permissible for themselves to engage in any sort of ugliness, injustice, or shamelessness that will injure the dignity and honor of individuals. Against the enemy, not only they are dissatisfied with injustice and oppression, but they will not stop at any sort of shameless trick and lie . . .

"Governments violate treaties and contracts that they have made with other countries out of a sense of power and a passion to dominate others, without any fear or apprehension, and force individuals to approve and endorse their actions out of a sense of patriotism."

As in the infamous and hateful wars of history and the criminal colonial wars of today, we see many clear examples of such a savage attitude. For instance, what crimes will those who normally play the role of "peace doves," constantly speaking of peace and general disarmament, not commit in various parts of the world to expand their influence and protect their interests?

#### Characteristics of Islamic Holy War

But Islam, contrary to these anti-human principles, observes morality and humane virtues even on the battlefield and respects humanity under all circumstances.

Islamic holy war is based on four principles, one of which is to observe moral and human laws. The holy Koran clearly and emphatically states the four characteristics of Islamic wars in a verse as follows:

"Fight on the path of God against those who fight you, but do not engage in aggression and injustice, because God does not love those who commit injustice" [Arabic].

In this verse, the four basic principles of "holy war" are explained.

The fourth principle is the same moral principle that Islam has recognized officially in holy war, which is: Do not commit injustice.

Three verses later, the Koran explains the observation of this principle, stating:

"As the enemy stops aggression and obstinacy, God is forgiving and kind. You must be like Him. You must not be hostile to anyone but the oppressors and beware of God, because God loves the pious" ("Baqareh," Verse 194).

The word "piety," which is mentioned at the end of this verse, comes from the word "vaqayeh," meaning to stop and withhold.

Yes, when anger and selfishness are heightened and a sense of human revenge leans towards deviation, towards harshness, vengeance and oppression, there must be an element within human beings to prevent anger and consequently prevent deviations and injustice.

The Koran emphasizes to the Islamic soldiers and army that they must certainly observe moral and humane principles on the battlefield and not forget piety, virtue and humane principles.

In the heat of war against the enemy, the Koran recommends justice, piety, virtue and fairness to the Islamic fighters and says: "The enmity of a nation causes you to abandon justice and fairness. Be just, for it is closer to piety" [Arabic] ("Ma'edeh" 11).

In short, war and bloodshed are despised by Islam, which will not engage in it if not forced. And when it does so, it stops at the point that is necessary. Under any circumstances, it invites Muslims to observe the moral and human principles. Now we will speak of some points in the moral and humane programs of Islam in wars.

#### 1. Who Are the Persons Who Have Immunity?

Unable persons such as children, women, sick people, the old, the mad, and [illegible] have immunity and the Islamic army does not have the right to harm them.

The revered Prophet says: Kill the infidels in battle, but do not kill the old men, women and children. [This is] the Islamic school.

One of the Prophet's companions says: I was with the Prophet in one of the battles. His holiness saw the corpse of a woman. He became very sad and prohibited the killing of women and children.

#### 2. Emotions Must Be Controlled.

Muslims do not have the right to commit acts out of anger, since it is contrary to moral and humane principles. Hence, "mutilation" of the enemy (cutting off parts of the body after killing him) and also destroying domestic animals, cutting down trees, burning fields, stopping the enemy from getting water, chasing and cursing the wounded are emphatically prohibited.

Imam Sadeq said: Whenever the Prophet of God wanted to dispatch an army, he would have them sit before him and tell them: "Fight in the name of God. Act on the path of God (that is, your goal must be God). Do not betray each other concerning the spoils; do not mutilate the slain; do not break your promises; do not kill the old men, women and children; do not cut down any trees unless you have to. Any one of the Muslims, even an ordinary person, who grants immunity to one of the infidels for him to hear the words of God, respect his grant of immunity. If he consents, he is your religious brother, otherwise, return him and ask God for help."

### 3. Germ, Chemical and Nuclear Wars Are Forbidden by Islam.

In the present age, certain destructive weapons have been invented, those of which exist, according to the statements of the military experts, are capable of killing the present population of the world four times over.

Despite this, all the efforts of the international organizations, conferences, and activities of peace-loving governments have failed to achieve anything in regards to general disarmament, bans on nuclear tests and germ and chemical warfare.

In Islam, germ and chemical warfare are strictly prohibited, because, firstly, the use of such dangerous means on the battlefield is contrary to the moral and humane principles of which Islam is the founder.

Secondly, although such destructive means were not invented during the time of the Islamic leaders, there is a tradition reported which can prove this claim.

Imam Sadeq reports from the commander of the faithful, 'Ali, who said: The revered Prophet prohibited throwing poison into the cities of the infidels [Arabic].

For this reason, the late 'Allameh Helli, one of the greatest Shi'ite religious jurists, considers the use of poison in any form prohibited in Islam. Also, Khalil, the Malekite religious jurist, emphasizes that poison must not be used in war.

The Prophet of Islam, who is the founder of the school of virtue and humanity, observed these moral and humane principles and did not allow the Islamic soldiers to make use of poison as a weapon in wars, because if poison is used, it kills civilians, such as women, men, children, sick people, and animals.

Here, the issue is not poison; what is at issue is that Muslims must not use weapons in war that would cause the destruction of civilians, cities, and villages.

### 4. Refugees Must Be Given Shelter

If an enemy wants to enter negotiations with Muslims and speak his mind in a quiet environment, according to the explicit instructions of Islam, Muslims must grant him immunity and recite for him the words of God. Then, if he wishes, he may stay among the Muslims, otherwise, he may return, in which case, Muslims must take him to a safe place.

Islam has placed so much importance on the issue of asylum that if infidels ask Muslims for immunity but Muslims do not agree

because of certain interests, while the infidels believe that they have been granted immunity and come to the Muslims, they are still immune and no one has the right to bother them.

In the terminology of the religious jurists, this is called "pseudo-immunity." In the opinion of Islam, the lowest of human beings is one who grants immunity but does not keep his promise and kills the other person.

#### 5. Respecting Treaties

In Islam, much importance has been placed on this moral and humane rule. The Prophet said: "He who does not keep his promises has no religion or faith" [Arabic].

Concerning non-aggression treaties signed between Muslims and others, while they have not been violated by the enemy, Muslims must respect them. This instruction even includes those about whom the Koran says, "If they become victorious over you, they will not observe the rights of family ties and alliances."

#### 6. Humane Treatment of Prisoners of War

Among the very bitter and unpleasant fruits of war is the issue of prisoners of war. Capturing prisoners of war as hostages has been common among nations since ancient times. Before Islam, no moral and humane principles were observed in wars and prisoners of war were treated most unjustly. After all sorts of torture, they were killed in a most violent manner.

The Islamic law concerning prisoners of war is very logical and humane. According to Islamic instructions, after the war ends, Muslims should take all the prisoners to the Islamic leader. According to a religious duty, he will carry out one of three things, which may be appropriate. He will either order that they be freed unconditionally, freed by paying compensation, or, if necessary, the imam may exchange the prisoners for Muslim prisoners.

Islamic law does not allow the killing of prisoners under any circumstances and the Koran explicitly states: (After the end of the war) either free the prisoners or collect compensation from them. This was also how the revered Prophet acted.

'Ali said: Feeding and being kind to prisoners is obligatory in Islam and killing them is considered unjust. He then quotes the verse, "Among the attributes of the faithful is that they feed the poor, the orphans and the prisoners" [Arabic].

In Islam, a prisoner is as deserving of mercy and kindness as an orphan or a poor person.

This was a brief description of the principles and moral instructions of Islam, which teaches its army in the field of holy war, and this seems sufficient to show the face of Islam on the battlefield.

1. "Principles of Psychology," pp 378-379.
2. "Sureh Baqareh," Verse 191.
3. See a detailed discussion on the subject in "Chehreh-ye Jihad dar Eslam," p 161.
4. "Vasa'el al-Shi'eh," "The Book of Jihad," Chapter 18, first discussion.
5. "Fi Zelal al-Qor'an."
6. "Vasa'el," "The Book of Jihad," Chapter 15.
7. The press.
8. "Vasa'el," "The Book of Jihad," Chapter 16, first discussion.
9. Note to "Al-Mota'allemin," p 103.
10. "Kebab al-Aklil," brief description of Khalil.
- 11 and 12. "Vasa'el," "The Book of Jihad," Chapter 20.
13. "Sureh Tabeh," Verse 7.
14. "History of Law," by J. A., p 61.
15. "Konz al-'Erfan," by Fazel Mefdad, p 188.
16. "Sureh Mohammad," Verse 4.
17. "Vasa'el," "The Book of Jihad," Chapter 32.
18. In "Chehreh-ye Jihad dar Eslam," pp 108-187 are devoted to this discussion.

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CSO: 4640/216

VELAYATI SUGGESTIONS TO ISLAMIC CONFERENCE REGARDING ISRAEL

Tehran KEYHAN in Persian 20 Dec 84 pp 3, 27

[Text] Yesterday, in the 15th session of the conference of the foreign ministers of Islamic countries in San'a, the minister of foreign affairs explained the positions of the Islamic Republic of Iran concerning various issues of the Islamic world in a detailed speech.

Explaining the blows inflicted on the Islamic world by the strengthening of the Camp David policies, he scorned and condemned the efforts to bring the Islamic countries to the negotiation table with the Zionist regime.

Dr Velayati began his statements with verses 149 and 150 of Al-e 'Omran and, thanking the host government, he said: The opportunities gained from this gathering, which makes contact and exchanges of views possible among the representatives of the Islamic countries, are joyful and praiseworthy. I hope that all of us make use of these opportunities to solve the problems of the Islamic world. I do not think anyone in our gathering would have any doubt that the situation in which our session this year is being held in is one in which the Islamic world suffers from disunity and instability and is a target of the imperialist invasions, or better said, the forces of global heathenism.

Rather than listing the problems of the community of Islamic countries, allow me to address one essential point, which, in our opinion, is considered the main cause of all these problems. This main cause is nothing other than our negligence of the verse recited and the famous Islamic saying, "Heathenism is a united community."

In another part of his speech, Dr Velayati said:

Mr President: What I said about the unity and allegiance of heathenism as an actual front and not as a forced concept most unfortunately imposes itself today in its strongest form on the Muslim nations. There is no need to present numerous examples to prove the reality that the wealth of the Islamic societies today has been at the bottom of the conspiracies between the superpowers to carry out the transactions between the two blocs. The Palestinian problem and the related changes alone suffice as an example. How many years has the grandiloquence of the speeches of many of the leaders of the Islamic countries involved the serious struggle against the Zionist regime? For how many years has this subject been at the top of the agenda of the numerous gatherings of the authorities of the Islamic countries?

No sound mind can accept that the great wealth spent on arms in the Islamic world over the course of four decades has not been sufficient to eliminate the occupying regime in Palestine. Have we asked ourselves what struggle the arms expenditures of the Islamic world, which has amounted in the past two years to the amazing figure of \$100 billion, has been spent on? There is no doubt that in answering these questions raised in the minds of the Islamic nations today, more than ever before, there is despair and helplessness. This helplessness is the definite result of neglecting the units of global heathenism, a negligence which has wasted a great deal of the wealth of the Islamic societies and has sometimes brought on the scene the saddest historical comedies, such as the Camp David accords.

This tragic comedy, in the course of which the oppressed takes refuge to the oppressor to escape injustice, is at the present time being carried out in the heart of the Islamic world. Zionism continues to grow, protected by such actions, and is a more serious danger than ever before, threatening the future generations of Muslims in the region and even beyond that, the prestige of the Islamic world.

The Islamic Republic of Iran cannot consider its fate separate from the fate of other Islamic nations in any of the political, social, and economic dimensions and it considers defending the indivisible honor of the Islamic nation a duty. It declares that the direct responsibility for the atrocities of the Zionist occupiers in Southern Lebanon, in addition to Israel, is the responsibility of those who by accepting the recognition of the Zionist regime and opening the door to negotiations with this regime have assured it of success in the use of force and made it more determined to continue its aggressions. I find it unlikely that anyone in our gathering would not confess in the depth of his conscience to this reality, which is bitter but also deeply instructive. Which is to say that what has happened in the course of these years to the people of Lebanon and occupied Palestine has the sinister fruit of a sapling planted five years



ago by Sadat at Camp David, orchestrated carefully and meticulously by the United States and the supporters of international Zionism.

Is it not our duty to sever with all our might the treacherous hands which have been extended to pluck another fruit from the Satanic sapling.

#### The Lesson of the Resistance in Lebanon

Mr President, the memory of the day that Sadat stood on the sacred land of Jerusalem and opened his arms to the occupiers inflicts suffering on the minds of every Muslim, now and forever. That day was a difficult, indeed intolerable day for the great nation of Egypt, which had been on the forefront of the resistance front against the occupiers.

This shameless treachery was so difficult for the Islamic nation that all took positions against it, unitedly and unanimously rejecting and condemning it. Not only was Egypt expelled from the Islamic conference and the Arab union, but it was proposed that the Islamic countries cooperate to expel that country from the non-aligned movement as well and to suspend their relations with it. It was clearly stated that as long as the Camp David treason remained in effect, those decisions would remain in effect.

Undoubtedly, this correct and committed position was taken not only to punish a treasonous act, but also for the purpose of preserving the goal of Palestine and persuading Egypt to return to its glorious past Islamic struggles.

The course of the changes and incidents since the time this decision was made has increasingly shown it to be correct. Camp David granted the ease of mind that the Zionist regime needed to continue its aggressions and consequently Lebanon became a victim. However, the invasion of Lebanon taught another great lesson and showed that the decisive decision to follow Islamic instructions concerning the necessity for violent struggle against the aggressive enemy until the total elimination of the conspiracy could enable a small but decisive group to succeed against a great Satanic aggression.

Velayati then added:

Can one imagine a more unfortunate situation than that despite suffering such intolerable costs, today we witness the representatives of a regime which honors Camp David, who openly and shamelessly announce that by no means will they change that position, assume a sign of victory and occupy the places which

have been vacated out of respect for the Islamic values and for the self-sacrifice and glorious struggles of the Egyptian nation?

The mistake of the open violation of the conference decision to suspend the membership of those who have befriended the greatest enemies of Islam is greater than for us to try to remove the burden from our shoulders by quarrelling over who was most responsible in this case. There is no doubt that the responsibility rests not only with those who have paved the way for this treason but particularly the management of the organization, who are responsible for protecting the charter, especially Paragraph 5 of Article 3, as well as all the ratifications and resolutions presented to protect the goals of the Palestinian people. Also, all the members of the conference are directly responsible for keeping silent in regards to this action. I openly ask the honorable secretary general of the organization: What happened to resolutions (P)10/18 and (P)11/3? How can the conference simply ignore its own resolutions? Did the delegation appointed by the conference of the leaders in the negotiations with Egypt take any steps concerning the provisions for the return of Egypt? Were the principles of the charter precisely followed? Have the conditions which resulted in the suspension of this membership now been eliminated? What credibility will such open violations of the most important ratifications and decisions of the conference give to the Islamic conference?

Unfortunately, the problem does not end here. The unconditional return of Egypt to the conference is in fact an open invitation and a green light to other compromising elements, which will result in nothing but a slaughterhouse of Islamic pride and human dignity and honor.

We give warning that if these actions are not stopped at their inception, within a short period of time, nothing but a lifeless corpse will remain of this conference and its goals. We declare that not only is the continuation of the suspension of Egypt's membership necessary but, from now on, the continuation of the membership of any member that follows a similar course must also be seriously reviewed. It is necessary for the conference to seriously anticipate ways to impose this policy.

#### Middle East Situation and the Warning of Iran

Dr Velayati then added:

The Middle East situation is more worrisome and alarming than ever before. Following the bitter experience and harsh defeat suffered by Zionism in Lebanon, it is trying to strengthen political actions more than military actions.

The main objective of this policy is to expand Camp David and carry out Reagan's peace plan. What distinguishes this policy from others based on negotiation is that the objectives of the negotiations are not to be clear from the onset, but the so-called solutions are only to be achieved at the negotiation table.

Is this policy not the most openly revealing sign of the fact that the course which began with Camp David, continued in Fez, and has ended today in the return of Egypt to the Islamic conference, the renewal of relations between Jordan and Egypt, the renewal of Iraq's relations with the United States, and a series of secondary efforts, such as the holding of the Zionist conference in Morocco, which are all implemented in the form of the general plan of the policy of the gradual elimination of anti-Zionist sentiments among the Muslims, has resulted in the Zionist regime openly announcing that even in regards to the ridiculous game of bilateral negotiations, it will retain all its privileges?

Can the United States, the main supporter of the Zionist regime, express its intentions and the objectives of its policies in a sentence more clear than the statement that the recent changes in the Arab world, including the conflicts inside (SAF), the reestablishment of relations between Jordan and Egypt, and the renewal of relations between Iraq and the United States, are positive signs in the interest of the United States and Israel in the region, and that all these issues will result in negotiations with Israel? The United States uses all of its resources to bring the Arabs to the negotiation table with Israel.

Obviously, the United States must be very happy about this fact. What privilege is greater than going to the negotiation table and having these Muslim countries issue a birth certificate for an illegitimate infant?

Honorable representatives:

As you witnessed last year, the Zionist regime, by relying on these treacheries, organized and pursued new aggressive actions on the bilateral and international levels to come out of isolation. The goal of these actions in the dimension of bilateral relations has been to obtain greater influence in the world, particularly in the Third World and Africa. Unfortunately, in achieving this Satanic goal, mostly economic levers have been used. Here, the question is raised: If the large arms expenditures referred to are not used for their main purpose and are not employed in a decisive and serious struggle against the Zionist regime, could the Islamic world block the actions of the Zionist regime in Africa by employing a small percentage of these expenditures? The movements in the

international circles for Israel to come out of isolation have also been significant. Unfortunately, in this dimension as well, the Islamic world has been unable to organize a serious struggle against the Zionists due to its disunity.

Here, it is necessary to point out that the proposal to cancel the membership of the Zionist regime in the United Nations, which has been pursued for three years as a matter of course and which is based on the most obvious Islamic and humane principles, should have attracted the most decisive support from the Islamic countries because of the spirit of the charter of the Islamic conference.

Unfortunately, some countries have reneged on this most primary of duties and with illogical excuses have refused to take a decisive position against Israel. Interestingly, the Zionist regime has not repayed them for this kindness, but has regularly condemned the United Nations, calling it undemocratic.

In our opinion, offering ways to confront the above-mentioned actions of Israel and making a serious and effective decision in this regard is one of the most important duties of this meeting. We propose that an official committee be formed, made up of the interested, voluntary countries and headed by the secretary general, begin its work, and regularly report the latest changes and the results to the conference. Initially, two important duties would be conferred on this committee.

1. Meticulous and constant study and investigation of all the political movements of the Zionist regime and international relations.
2. Studying, investigating, and proposing practical ways to confront the Zionist regime coming out of international political isolation. Also, we propose that a joint decisive decision be made in this session for the members of the Islamic conference to sever relations with any country which moves its embassy to holy Jerusalem.

Mr President:

Today, the velocity of the course of compromise with Israel is so rapid that it has even attracted the Eastern superpower, such that it comes on the scene with proposals, such as an international conference with the participation of all sides in the conflict, a proposal that besides representing a change in wording is in fact nothing but negotiation with Israel. The actual unity of global oppression is manifested once again in the agreement between the East and the West concerning the necessity of bringing the Muslims to compromise. Of course, the East has other reasons as well for entering the Middle East issue.

Entering any sort of political game that may divert the attention of Muslims from the occupation of Afghanistan is necessary for the East. Naturally, negotiations between one occupier and another is a legitimate issue.

#### Camp David and Afghanistan

For five years, the brave Mujahedin of Afghanistan have been struggling to expel the occupiers, a struggle that has evoked amazement and admiration from everyone.

A superpower has occupied a country for five years with all its military might and advanced weapons, but it has remained helpless in the face of the resistance of a group of faithful and believing Muslims deprived of even the most primitive weapons. Truly, they are great examples of martyrdom and self-sacrifice and are the manifestations of God's victory. The reaction of the community of Islamic countries to the issue of Afghanistan is unfortunately no less unfortunate than the position of these countries with regard to the Palestinian issue. The blood of the children of Afghanistan, which has continuously colored the soil of this Islamic country, is the price of the disunity which has prevented the Islamic nation from mobilizing its great forces against global oppression.

It would be simplistic for us to imagine that by giving privileges to the enemy in one instance we would be able to remain safe in another. Therefore, it is no exaggeration for us to say that were it not for Camp David, the occupation of Afghanistan would not have taken place.

#### Iraq's Aggression on the Soil of the Islamic Country of Iran

Mr President:

As representatives of a country which has tasted the bitter taste of expansionist aggression and has suffered many victims in defending its human and Islamic dignity and honor, fortunately, we are more than empty preachers criticizing the positions of some of the Islamic countries in regards to the aggressions of the Zionist regime.

The aggression of Iraq against our country is now entering its fifth year. No one can name any war crimes that the occupying forces of Iraq have not committed against the people of the occupied cities. The severity of these crimes against the civilians of Khorramshahr, Qasr-e Shirin, Hoveyzeh, and many of the other occupied cities has reached such an extent that the incidents of Sabra and Shatila seem nothing in comparison.

After four years, we are still uninformed about the fates of tens of thousands of the civilian residents of our cities. No one knows how many of them have been killed, become refugees, or are captives. Large groups of this population are being held in unknown camps. Of the 424 Iranian prisoners released by Iraq, 235 were civilians and 171 were above 50 years of age.

The use of chemical weapons by the Iraq regime, weapons that not even the greatest criminals of contemporary history have confessed to using, signifies the nature of this regime and reveals the nature of the criminals with whom the Islamic Republic of Iran has been confronted for four years. These injustices have spread to other countries without any obstacles. As you know, for a long time, the Persian Gulf and commercial ships have been the victims of this fire. Despite all this as well as the fact that the regime of Iraq enjoys the complete financial, political, and arms support of the superpowers and some of the countries in the region, our will to completely eliminate the aggression has become stronger than ever before. Our resistance to the aggressions of Iraq has been based on following a divine instruction that it is our duty to fight until the conspiracy has been completely eliminated and the roots of the aggression severed.

There is no doubt that if the Islamic Republic of Iran were to neglect this duty and, like the compromisers with the Zionist regime, sit at the negotiation table from a position of weakness, allowing aggressive Iraq to implement the lesson it has learned from Israel in our country, the least consequence for the region would be aggression which would undoubtedly drag the other neighboring countries into the fire and blood.

#### Israel's Desire for Iran's Defeat

When the prime minister of Israel officially announces that in the war between Iran and Iraq, it desires the defeat of the Islamic Republic of Iran, is it not shameful that some countries which have remained safe from aggression at the price of the blood of our children, rather than spending their wealth to fight the Zionist regime, support the regime of Iraq and by injecting millions of dollars of the Muslims' wealth have kept this regime in power? Has the time not come for these countries to come to the realization that rather than supporting a decadent regime which is bound to fall they should respond affirmatively to the call of the Islamic Republic of Iran, a country which has always, throughout the course of Islamic history, been a center of the culture and high civilization of Muslims and has now become the standard bearer of the revitalization of Islam, in order to establish good neighboring relations?

Mr President:

As was mentioned, unfortunately, Africa suffers from a regime similar to the Zionist regime. This regime, whose very existence is made possible by the unending support of the United States, has dangerously grown. The events of last year in southern Africa showed that the countries of this region have been abandoned to the aggressions of the Pretoria regime. In our opinion, this unfortunate situation creates a serious duty for the Islamic conference and its member countries.

A declaration of support in words alone will not solve this problem. For this conference to make decisions toward the practical support of the countries under the aggression of Pretoria is an Islamic necessity. We declare our readiness to implement such a decision within our resources and believe that for the same reasons that the conference of African unity announced in 1973 that the Palestinian problem is an African problem, we should declare that the African problem is a problem for the Islamic world.

The existing international political and economic problems more than ever before require a closeness between Africa and the Islamic countries. These ties must be strengthened through practical steps. It would be appropriate for the conference to expand the economic and financial resources to the extent that it is able, for instance, to play an essential role in helping the famine victims in Ethiopia. It would have been appropriate for the Islamic countries to have taken the first steps in helping these famine victims.

#### The One Nation of Heathenism and Economic Issues

Mr President:

Heathenism gallops as one nation on the economic scene as well. The economies of the developing countries in general and the Islamic countries in particular are victims of the economic system of global oppression. Historically, it is mainly responsible for the backwardness of the underdeveloped societies, and it also tries to maintain its domination and illegitimate plunder of these societies (countries). The resorting to harsh financial and monetary policies toward the developing countries and the escalation of supportive measures vis-a-vis the export of raw materials and exporting the goods of the developing countries show well the overall efforts of the global oppressors to transfer the pressures resulting from the present economic crisis to the dominated countries and safeguard their own economic welfare and well being.

The unfortunate situation of the loans of the Third World countries, which have now extended beyond \$800 billion--and most of the countries in debt are even unable to pay the annual



interest--gives a clear picture of the economic situation of these countries among the Islamic countries, which have a very high per capita income, despite the fact that the member countries of the Islamic conference owe a debt amounting to \$200 billion to the world capital markets. This shows to what extent the Islamic world is dependent on the outside industrial world and how it is terribly vulnerable to the greed of global oppression. The Islamic world must carefully reevaluate its situation and realize what great economic danger threatens the existence of Islam and Muslims.

Here, I must point out that it is not realistic to expect the elimination of the international economic problems, particularly in regard to the Islamic countries, through such steps as global negotiations and the establishment of a new international economic system.

The cure for the illness of the Islamic countries is not in imitating the economic models of the West and the East and setting their hearts on north-south negotiations. Only through returning to themselves, going back to the Islamic school of economy, regulating relations and economic and trade activities on the basis of Islamic standards and models, can we overcome the numerous present problems and establish a just economic system in the Islamic countries.

The Islamic conference must delegate a group of experts and Islamists to study the economic and trade relations of the member countries and conform the existing situation with Islamic teachings in order to implement an Islamic economic model. Then they must offer the necessary recommendations on the basis of Islamic principles and standards for a collective self-reliance. It is not sufficient for us to be content to have created an Islamic development bank and to have been able to symbolically free ourselves from usury and interest rates. The manifestations of Islamic teachings must govern all the economic activities of the organization of the Islamic conference.

#### The Present Situation of the Islamic Conference

Mr President, in conclusion, allow me to point out the present situation of the Islamic conference. Fifteen years ago, when the cornerstone of this conference was being laid, there was hope that it would be able to mobilize and coordinate the resources of the Islamic nation to achieving our common goals. It is unlikely that anyone in our gathering would doubt that if the above-mentioned objective had actually been attained, today, the Islamic nation would not only be able to control its destiny without fearing the interference of the superpowers, but also to play a decisive role in determining global policy and economy. We must declare that the fault behind our being so far away from



such a situation today is that there are those who do not believe in the great potential of the Islamic nation and despite the lifetime of unsuccessful experience, still turn to foreigners to find solutions for the problems of the Islamic countries. They wait, hoping that global heathenism will finally be kind enough to solve some of their problems.

Did the recent successful OPEC meeting, as an example, not show us that if we really decide, we are able to secure our interests in the most critical situations?

Unfortunately, inattention to these issues has caused the conference to be unable to attain its true position on the international political scene. Although there is no veto power granted to any country in the charter of this organization, in practice, some countries consider themselves as having such a right. This has disgraced the organization of the Islamic conference today and caused it to be completely influenced by the events governing the world of the powerful, essentially the West. If something happens on a world scale, Muslims do not see an independent Islamic position from this organization.

The Islamic conference has not been able to take an effective step toward resolving the essential problems of the Islamic world, such as the issues of Palestine and Afghanistan. Concerning the resolution to the issue of Afghanistan, we have not seen any independent, workable formula from the conference. In regards to the Palestinian issue, we are still suffering from empty statements which are repeated tiresomely every year in this gathering. Those who wanted to liberate Jerusalem and free Palestine from the shackles of the Zionists by organizing combative forces are now submitting to the Zionists and all their efforts go towards the well-being of the comfort-seekers and the isolation of the hostile forces. The sacred verse, "Oh you faithful, do not ally yourselves with the Jews and Christians; they are allies with each other" [Arabic], has been practically neglected. The miserable positions have taken away the honor that belongs to the faithful in accordance with the sacred verse, "Glory belongs to God, His Prophet, and the faithful" [Arabic]. At one time, through the untiring efforts of the revered Prophet, the beloved people of God, and the Muslims of the dawn of Islam, the banner of Islamic victory and greatness was set from southwestern Europe to southeastern Asia. The infidels lived under the kind protection of Islam. Now, due to the incompetence of some of the rulers, the conspiracies of the politicians, the disunity of pseudo-Muslims, the trickery of those who sell their religion, and the upside down Islam of the king preachers, Muslims are tributaries of the infidels, the heart of the Islamic world is in the hands of the Jews, and the leaders of some of the Islamic countries stand in line to express their servility to them.

The Islamic world has become the scene of the invasions of the infidels and heathens and the victorious Muslims have been debased. The enemies of Islam do not hide their opposition to the interests of Islam and Muslims. A clear example is the behavior of the United States towards the general director of the scientific, cultural, and educational organization of the United Nations, UNESCO. Undoubtedly, the main reason for the behavior of the United States toward Mr (Ambu) is that he is an African Muslim and an independent thinker. But no initiative has been taken to defend and protect the interests of the Muslims in international relations.

#### The Cultural Problems of the Islamic World

The cultural problems of the Islamic world are in no better state than the political and economic problems. Divine values have lost their place in the world and Satanic, tyrannical values have thrived. Western pragmatism and Eastern heathenism govern the world and Westernism and Eastern beliefs have metamorphosed our societies. What steps have been taken by the conference to reestablish Koranic culture and divine values? Although representatives of the Islamic conference are present in most of the international assemblies, what serious efforts have been made thus far to defend these values in these assemblies? How can we justify the fact that in a committee called the Human Rights Committee some of the Muslim countries are severely attacked for implementing Islamic injunctions and the Islamic conference has remained silent? Does the Islamic nation not expect us to both defend Islamic values in the international assemblies and to make these assemblies recognize Islamic standards?

Mr President:

What I have recounted is part of the problems and maladies of the Muslims. If this conference has not been able to solve any problem in the course of a decade and a half, it is appropriate to seriously revise its course, organization, and administrative method. Here, it is necessary to point out the important responsibilities of the secretary general vis-a-vis the above-mentioned problems. The continuation of the past policies in the conference will have no other results but to waste the time and capital of the members. Changing this course requires primarily the political will of the member countries and, secondarily, a workable organization and independent-minded management.

I hope that this meeting will be able to take clear and essential steps towards the unity of the Islamic forces, which is the most urgent problem for all of us.

"Peace upon you and God's mercy and blessings" [Arabic].

The IRNA report indicates that during the speech of Dr Velayati, Tariq Mikhayl 'Aziz, the deputy prime minister and foreign minister of the Zionist regime of Iraq, was not present.

# IRAQ REPORTEDLY ATTACKS TANKERS FOR POLITICAL PURPOSES

GF092003 Tehran International Service in Arabic 1730 GMT 9 Jan 85

[From the "Political Talk" Program]

[Text] Hojjat ol-Eslam 'Ali Khamene'i said that the continuous Iraqi attacks against oil tankers have political, not military, significance. In a comprehensive talk with a local newspaper, he affirmed that the missile attack against worthless nonmilitary targets does not have a military dimension. The aggressor causes much military losses, for example the downing of one of the regime's super Etendard planes.

It is clear that these actions by the Baghdad ruling regime reflect the difficult path chosen by the Ba'thist rulers during this imposed war. The rulers know very well that such actions do not affect the military situation in the Islamic front. It is well known that this front is strong due to the faith and the sacrifices of its soldiers.

Any mad action, whatever its reaction, has no affect. There is one question: What are the goals of the Ba'thist rulers in conducting such actions? As has been stated by the president of the republic, two goals have political significance. The first goal is that the regime, through its attack against oil tankers, wants to tell his masters and his defenders that he is still there. Actually such action represents only total inefficiency, as has been stated by 'Ali Khamene'i.

The second goal directly concerns the situation in the region and what is happening in the oil arena, especially in the Persian Gulf. For a while the rulers of Iraq were trying to escalate the tense situation in the Persian Gulf region according to clear colonial aims and goals. Through this escalation, Iraq gained international attention, especially the attention of the arrogance.

Any military escalation in the Persian Gulf should be accompanied by a sacrifice of at least of 7 million barrels of oil. This constitutes the entire production of the countries of the Persian Gulf. This will force importing countries and companies to export oil from countries which will provide a vast quantity of oil without risking being in Gulf waters. Iraq is one of these countries, because it exports its oil through the Mediterranean. It called on the United States to ensure the success of the agreement by extending other oil pipelines which will transport more Iraqi oil in case of any danger in the Gulf region.

This regime is not concerned about the quantity of oil it exports, but it is concerned about gaining the attention of the arrogance. It uses the oil as a card to join the superpower, which has begun to consider the regime seriously in light of its strategic interests in the region. The Iraqi rulers found that any escalation in the Persian Gulf region will lead it closer to the arrogant powers and that it will be part of the colonial question against the people. In other words the issue of the survival of the regime will be the concern of the arrogance and not only the regime's concern. That means the superpower will participate in any battle against the regime, whether on the domestic or international front, and will defend Iraq because its defeat would mean the end of the colonial question in the Islamic region.

CSO: 4604/21

ALMOST 3000 PETROLEUM PIPELINES BUILT SINCE REVOLUTION

Tehran BURS in Persian 29 Nov 84 p 8

[Text] Through the efforts of the employees of pipelines and communications of the Ministry of Petroleum, since the victory of the Islamic revolution, 2,900 km of pipelines have been built. Hence, the potential for fuel transport has increased more than 40 percent compared to before the revolution.

Engineer Mohammadnezhad, a member of the board of directors and director of the pipelines and communication division of the Ministry of Petroleum, who traveled to Arak to participate in the sixth national gathering of Islamic societies and the heads of the nine regions of pipelines and communications, explained the activities and programs underway concerning pipelines and communications in an interview with IRNA.

He first referred to the increase in the transportation power for oil products since the revolution and said: With the overall oil studies in the area of increasing transportation through the pipelines, at the present time, 750,000 barrels of crude oil per day are transported from the point of extraction to the refineries inside the country.

Stating that the refined products of the refineries are again transported through pipelines, oil tankers, and railroads to the storages in the capitals of various provinces, he said: With the significant activities in the area of moving products, fortunately, the fuel transport capacity has increased by 42 percent compared to prior to the revolution.

The director of the pipeline and communications division referred to the low cost and speed of the transportation of oil products through pipelines and said: By giving priority to the projects concerning the building of pipelines in the few years of the revolution, about 2,900 km of pipelines have been put into operation for fuel products, among which are the Tehran-Mashhad, Tehran-Sari, Tehran-Rasht, Tabriz-Orumiyyeh pipelines and the very important Afrineh-Bakhtaran pipeline.

ARTICLE EXAMINES REASONS FOR OIL PRICE DROP

Tehran BURS in Persian 5 Dec 84 p 5

[Text] Analysis by IRNA

A study of the oil market last week shows a decrease of between \$.25 to \$1.30 in the price of different grades of crude oil compared to three weeks ago. Of course, these prices show relative increases over those before the emergency session of OPEC, which was held on 29-30 October in Geneva due to the market crisis. Meanwhile, (brent) (December) oil of the North Sea, (farkadus) of Nigeria, and light of Saudi Arabia sold last week for about \$27, \$27.50, and \$27.35 per barrel respectively. Compared to three weeks ago, these prices show a decrease of between \$1 and \$1.65 on every barrel. After the consultative session of OPEC, in which the members decided to reduce production in order to confront the market crisis, the situation of the market improved somewhat. But the various actions by the OPEC member and non-member oil producers stopped the rise in oil prices in the market at the start and then a decrease was witnessed after this session. The major factors of this problem consist of increased production, granting discounts to customers, and the difference between the prices of light and heavy oil.

In the counseling session, OPEC reduced its production by 1.5 million barrels among the members, amounting to 16 million barrels per day, and it was anticipated that with the coming of the cold season in the northern part of the globe and the imbalance between supply and demand, the oil market situation would be stabilized.

But when the international oil companies along with several OPEC member and non-member producers disturbed the supply and demand situation by increasing the sale of oil on the free market, the anxiety concerning a compulsory price reduction in the non-treaty market became a certainty. Although still many of the oil producers, particularly the OPEC members, observe the ratifications and the oil regulations, it is not certain whether or not the official oil prices can be defended.

In the past few weeks, most oil companies which carry out almost all the activities concerning the production and export of oil in the oil-producing countries reduced the price of their exported crude oil. The largest decrease in prices involves the kind of oil (medium West Texas) on the free market, which decreased from \$28.40 per barrel on 8 November to \$27.20 per barrel on 27 November. This oil is mainly extracted by large American oil cartels and competes in quality with (brent) of the North Sea, Saudi Arabian light, and Nigerian (furkadus). In the past few weeks, there was talk of the existence of discounts in various grades of crude oil from several countries. For example, it is reported that the United Arab Emirates sells its light export crude oil at a discount of between \$.60 and \$.80 per barrel. Iraq also offers its oil, which is mostly produced by several other producing countries, at a price much lower than the official OPEC prices on the free market due to its desperate need for currency. Also, several other members of OPEC have not adhered to their production ceilings and have engaged in production increases. For example, Nigeria, which was exempted from a share of the production decrease in the emergency session, not only fails to adhere to its increased share, that is, about 1,450,000 barrels per day, but it produces about 150,000-200,000 additional barrels of oil. On the other hand, the Nigerian light oil (furkadus), which competes in quality with North Sea oil, is sold at the present time on the free market at \$27.50 to \$27.60, which is \$2.5 less than the original price and \$.50 less than the reduced price. Also, the officials of the national Nigerian oil Company have gone a step further and announced that the price of Nigerian crude oil will probably decline by the third quarter of next year and reach \$25.00 per barrel.

Here, it should be pointed out that the Islamic Republic of Iran has always greatly emphasized the OPEC stabilization of prices and production ceilings. Several months ago, it unilaterally reduced its oil production by half in order to confront the market crisis. On the other hand, considering the above-mentioned problems and despite the resistance of the oil companies in the area of not using the oil reserves to show the market situation as stagnant, these companies have been forced in the past few days to make use of these oil reserves. In other words, the reduction of the OPEC production ceiling has forced the international cartels and international oil gluttons to engage in using their oil reserves to show their appropriate financial situation.

10,000  
CSO: 4640/223

# EDITORIAL APPLAUDS INTEREST-FREE BANKING

Tehran KAYHAN INTERNATIONAL in English 18, 19, 20 Dec 84

[Editorial: "The Elimination of Interest and Riba in Iran"]

[18 Dec 84 p 2]

[Text] When the history of the Islamic Revolution is written, one of the most important and far-reaching actions aimed at transforming the structure of the economic system from one of shirk and kufr to an Islamic one will be the recent passage of the law to eliminate riba and interest. No society can claim to be Islamic so long as a single symptom of shirk and kufr continues to perpetuate itself. Islam has promised Muslims the barakah with which Allah has endowed the halal rizq. It follows that in any society in which even an atom of the earnings of its members is contaminated with anything considered 'a declaration of war upon Allah and His Prophet,' will call forth the withdrawal of Allah's barakah from that society.

The passage of the law itself is a remarkable accomplishment, particularly when one considers how strong and widespread the institution of interest and riba has been in all Muslim societies. The intellectual inertia existing in these societies--which consider the existence and 'efficient' operation of interest as an essential feature of modern economies without which the whole system would collapse--has assisted its perpetuation. Even some Muslims have expressed scepticism regarding the total elimination of this haram institution from Muslim societies for fear of their collapse, although Islam has never suggested eliminating anything in a society unless it has proposed something better in its place. Even the intuitive reasoning that the system of profit-sharing proposed by Islam will mean less fluctuation and higher growth does not persuade these sceptics. (Those who are familiar with the workings of corporations in Western countries, particularly the U.S. know that tax advantages bias corporate finance toward debt capital rather than full equity operation). Be that as it may, only a surgical operation by those who believe that the hukm of Allah must be carried out no matter what the cost, can eradicate this impoverishing system of zulm from Muslim societies. This is the promise which the law to eliminate riba and interest holds for the Islamic State.

When the importance which the Qur'an attaches to the elimination of this institution of kufr is considered, one is tempted to conclude that perhaps all



the internal conflicts which took place in the second and third years after the Islamic Revolution were necessary to pave the way for the passage of this law.

The first step towards eliminating interest and *riba* in Islamic Iran was the nationalization and consolidation of the banking system, proposed by the provisional Revolutionary Government and approved by the Revolutionary Council. There are some who object to nationalization of the banking system as contrary to the Islamic emphasis on private initiative, but this objection can be countered on grounds which establish the necessity of such action in all Muslim societies particularly during the period of transition toward a complete Islamic one.

First, it can be argued that given the power inherent in the modern banking system and the unique relationship between that, the rest of the economy and governments, it is difficult to find any other institution whose operation affects the behavior of the total economy as strongly as that of the banking system. Second, there are aspects of the banking function, e.g., money and credit creation ability, which make the system an extremely powerful means by which Islamic objectives can be achieved. Third, the banking system operates with the public's funds, which can be both mobilized and utilized to serve the objectives of a healthy economy which is the aim of the *shariah*. All these facts make the direct control of the banking system by an Islamic government with a *muttaqi* leadership, particularly during the transition period, almost a necessity. Additionally, the realities existing in almost all Islamic societies in which banks are primarily institutions in the service of the powerful and the advantaged make their nationalization essential.

In pre-revolutionary Iran, those closely related to the Court, had monopolized two-thirds of the credit generated in the banking system. When a member of the ruling family wished to establish a business he had only to start a private bank and attract deposits which he then used to finance his own private business (for which he most likely had obtained a monopoly status already) and return only a very small portion of his profits to the depositors as interest. It is doubtful whether the situation in the rest of the Muslim world is any different. Consequently, it seems that to ensure that the banking system serves the whole society rather than a select few its nationalization is the only course of action, particularly during the transition period.

Apparently no further actions were taken towards eliminating *riba* and interest after the first Presidential election than to replace the *riba* system in the banks with a system of service charges. It was left to the post-Bani Sadr government to begin planning for the preparation of a bill to be submitted to the Majlis for the purpose of elimination of *riba* and interest. After completing an enormous amount of work, coordinated actions of *ulama*, professional economists in and out of government as well as banking personnel--which epitomized the cooperation between *ulama* and academics--a bill to eliminate *riba* and interest was prepared and submitted to the Islamic Majlis for consideration in March 1982 by the Central Bank and the Ministry of Economic Affairs and Finance.

The bill itself can be compared in importance to the Constitution of the Islamic Republic. It is a remarkable document in simplicity, directness, comprehensiveness while at the same time it is a pragmatic (within the framework of the shariah) measure which promises a total transformation of the economy without causing drastic economic dislocations.

[19 Dec 84 p 2]

[Text] While the Bill was being considered by the Majlis--which had designated a Special Commission on Banking--the Central Bank organized and established procedures for the personnel of the banking system to be educated in Islamic banking. It organized courses throughout the country which by December 1982 some 24,000 banking personnel had completed. To create the incentive for these personnel not only to understand Islamic banking but also to become familiar with Islamic values and laws pertaining to the economy, successful completion of these courses with examinations, was made a basis for future promotions. At the same time 125 various commissions composed of ulama, academics, entrepreneurs, and businessmen were set up throughout the country to study the proposed bill from the point of view of shariah as well as its economic impact and to report their findings and criticisms to the Central Bank.

Meanwhile, parallel work was carried on by the Special Commission on Banking in the Majlis. The minutes of discussions of the full Majlis on the Bill show the extent of the detailed considerations with which the Majlis scrutinized it for its correspondence with the shariah and its impact on the economy. The bill was finally approved on August 30, 1983. Some two years' work finally resulted in the passage of The Law for Usury-Free Banking. The law is composed of five sections, 27 Articles and four Provisos. The sections deal with (1) the objectives of the banking system, (2) duties of the banking system, (3) mobilization of the monetary resources, (4) banking facilities and (5) monetary policy. The principle forms of economic activities in which the bank is allowed to partake are Islamic uqud such as qard ulhasanah, muzara'ah, musaqat, mudarabah and musharakah. Various measures are envisioned for qard ul-hasanah including a requirement that each bank must guarantee the qard ul-hasanah deposits.

The most striking feature of the law is its single minded objective of employing the banking system to serve the economic objectives of the Islamic society. The operations of all segments of the banking system are coordinated to increase the opportunities for everyone to engage in productive activities. The banking system has been given the power of supervising these activities. All possibilities of abuse have been eliminated. Whereas before the Islamic Revolution only a handful of the select could use the banking system to their full advantage, the law now provides a broad based system which is at the service of everyone. Additionally, the banks are empowered to take part in activities which directly benefit the poor such as construction of low income housing and providing funds for farming activities. The banks are explicitly ordered to give preferential treatment to qard ul-hasanah depositors and to cooperative ventures. Attempts are also made to discourage brokerage activities through a provision which requires bank dealings with the final users only. No one is permitted to obtain funds for one purpose and use it for another.

As far as the economic implications are concerned it is expected that the law should permit effective mobilization of funds and their just allocation unlike that which existed in the pre-revolutionary period. It should encourage productive activities which were previously starved through lack of available funds. It should change the basis of worthiness for credit extension from one of reliance on the personality and the social position of the amil to one of worthiness of the project. It has the potential for alleviating the financial needs of the most productive and deserving segments of the population i.e., the young entrepreneurs. It should discourage the use of the banking system for the purpose of accumulation of wealth in the hands of a few. It will help to reduce uncertainty in the economy. It has the potential for elimination of corruption within the banking system. Since bank supervisions are required in musharakah activities wherein bank funds are used, the law has the potential to improve efficiency in the economy. The law can also affect the direction of resource allocation. Finally, it can reduce information and transaction costs for businesses with which the bank is associated.

[20 Dec 84 p 2]

[Text] There are, however, some inherent dangers which the policy makers in Iran must guard against. For one thing, the law gives the banking system in general, and the Central Bank in particular, considerable power. This is particularly important in the light of the fact that the consolidation of the banking system has reduced the possibilities of competition among banks. Apart from bureaucratization of the banking system, this may affect the banks expectation of the rate of profit. Whereas a private Islamic bank may, through competition, be willing to negotiate for a lower rate of return from its mudarabah and musharakah activities, a monopoly bank may not have the incentive to do so. This, of course, is an argument which can cut both ways. One can argue that a system of private banks with profit making objectives may not work as well in achieving the objectives of an Islamic society as a system of banks fully integrated in the policy making apparatus of an Islamic government under a muttaqi leadership committed to achieving the objectives of the Islamic society. Nonetheless, care has to be exercised to ensure that the power of the banking system will set profit expectation throughout the economy and rule the overall expected rate of return for the economy as a whole. Since the power invested in the banking system confers upon it an ability to dictate this rate a conservative outlook inherent in the banking system may have a retarding effect on the growth and development of the economy.

Much of the effectiveness of the law will depend on its articles of implementation which will then submit the law to test in actual application. Utmost care will have to be taken in preparation of articles of implementation of this law so that the procedural rules established do not in practice contradict the spirit and the intent of the law. The conservative nature of decision-making, inherent in the banking system, should also be taken into account so that it does not stifle the element of risk-taking which is characteristic of entrepreneurial behavior.

There is very little doubt that the law, when properly applied, should result in a rapid expansion of partnerships and cooperations in production and

entrepreneurial activities. The corporate form of business enterprises will become the driving force of the economy on an unprecedented scale as producers and entrepreneurs in all sectors of the economy will realize the advantages in formation of such organizations, and equity shares will become important assets to be held by the public. These shares will have a great potential as an instrument of monetary policy. Consequently, the existence of an efficient and abuse-free market in which equity shares can be traded will be indispensable. The policy makers should begin to plan the necessary institutional framework for this purpose with the same zeal which was applied to the task of the preparation and the passage of the new law. In the absence of an efficient, countrywide, and well-organized system which can handle transactions in equity shares and which is purposefully designed and supervised by either the government or the banking system, formal and informal markets will develop with a potential for abusive and speculative behavior reminiscent of what happened recently in Kuwait. This potential is particularly serious when one considers the pent up energies which were spent on speculative behavior before the Revolution. It is necessary that a healthy market for equity shares be developed to correctly channel these energies within the framework of the shariah.

The law has also provided an opportunity for the policy makers to direct and supervise the enormous entrepreneurial talents of the economy. Instead of useless, inefficient, and expensive comprehensive planning there should be a guided, private-initiative system through which the incentives and motivations provided within the framework of the new law can build the much needed infrastructure of roads, communication networks, hospitals, bridges, railroads and other public works facilities. The framework of the new law can provide an opportunity for the policy makers to plan the reconstruction of war liberated areas.

The economy of Islamic Iran has been subjected to a number of serious shocks since its inception, any one of which would have been enough to cripple even the best of economies. Witness the heavy toll the American economy paid as a result of the Vietnam war or consider Israel's 1,000 percent inflation rate (WASHINGTON POST, Oct. 27, 1984) which is a direct result of its invasion of Lebanon. The Zionist state receives, in outright and 'above-the-board' grants U.S. \$50 a year from every man, woman and child living in the U.S. alone. The Islamic state, on the other hand has faced hostile actions ranging from internal sabotage, expensive set of external sanctions imposed by the U.S. and her allies and a war of aggression. Its astonishing resilience can only be attributed to the blessings of Allah. Even its most ardent enemies estimate the inflation rate in the Islamic State to be 30 percent, which is still 25 percent below the average rate of all developing countries (estimated at 55 percent). The present law will make the Islamic economy even less vulnerable to shocks, and allow the mobilization of the enormous potential in the society to create a halal and healthy economy.

## CENSUS TAKING UNDERWAY IN TEHRAN

Tehran BURS in Persian 5 Dec 84 p 4

[Text] At a cost of less than 15 million rials, the census plan is underway in Tehran. Dr Jamshidi, the director of the Iranian census center, announced the above statement. Participating in a press, radio and television interview, he explained this project as well as other programs of the Iranian census center. He said: In order to determine the situation with regard to family distribution in the cities of the country and also to achieve certain goals, including a census of the population and information regarding housing, which will be carried out during the period 21 March 1986-20 March 1987, and for the purpose of census sampling projects in the cities, the family census-taking project in the cities of the country began in late summer and early fall of 1983 and thus far, more than 470 cities have been mapped and family censuses have been taken. He added: In continuing the implementation of this project, the census officials of the Iranian census center go to the families and workshops of four zones of the 20 zones of Tehran and collect the necessary data for this project. In this project, questions are asked only in regards to the number of families. Dr Jamshidi added: The period for this project in Tehran will be 60 days and more than 100 census takers of the Iranian census center will go to homes and workshops with identification cards. The results will be published by 20 March 1985. He added: The results will be used in implementing projects during the period 21 March 1985-20 March 1986, including the preparation of urban identity cards, pricing plans, a plan to measure population growth, and determining the budget for urban families. The director of the Iranian census center said concerning the cost of this project: By making use of the permanent personnel of the Iranian census center and coordinating with other interested organizations, we have tried to minimize the cost of this project. For this reason, we hope that we will complete this task at a cost of nearly 15 million rials. The director of the Iranian census center then said concerning some of the other projects of this center which will be carried out next year: For the first time in Iran, during the period 21 March 1985-20 March 1986, a tribal

census will be taken. In the first phase of this census taking, the situation of the tribal organization, the course of migration and the place of summer and winter residences will be studied. In the second phase, the characteristics of the members of the tribes, number of children, literacy, number of livestock, family dependents, and some other necessary information will be the subject of the questions. Dr Jamshidi then referred to the implementation of the agricultural census and said: On the basis of this plan, which will be carried out if approved by the Cabinet during the period 21 March 1985-20 March 1986, major issues such as the amount of land under cultivation; the level of agricultural production, especially strategic agricultural products; kinds of livestock and poultry; and the level of product return on agricultural lands; as well as such information as the number of agricultural facilities, the level of chemical fertilizer use, and more information of this kind will be collected. He announced the projected cost for the implementation of this plan as about 3,200 million rials.

10,000

CSO: 4640/230

MINISTRY OF COMMERCE POLICY VIS-A-VIS DISTRIBUTION EXPLAINED

Tehran BURS in Persian 29 Nov 84 p 5

[Text] The second day of the seminar of the general commerce directors of zone two of the country from the Provinces of Tehran, Hamadan, Semnan and Zanjan was held in the presence of several officials and directors of the Ministry of Commerce at the Engelab Hotel.

According to an IRNA report, after reciting verses from the Koran, first Gholamhoseyn Hejazi, the head of household goods distribution for the country, made a speech and said: This unit regulated and announced the distribution of household goods on the basis of urban, rural and tribal needs about a year ago.

Then, pointing out that in Tehran and provincial cities, a headquarters for the distribution of dowries has been formed, he said: On the basis of a plan that was ratified in the supreme council for distribution, 50 percent of household goods, including machine-made carpets, refrigerators, television sets, air conditioners, radios and heaters, were allotted to the headquarters for dowries, of which three items are distributed to couples as essential goods, so that in the first six months of this year, in addition to providing dowries for 144,000 families from previous years, dowries have also been procured and distributed among those married this year. In addition, in order to attract committed and specialized forces, it was decided that this unit must take steps to provide goods needed by them as well. In this connection, goods have been provided for those applying during the period 21 March 1983-20 March 1985. Considering the problems of the factories, for those who have entered the country during the period 21 March 1982-20 March 1983 and before, goods needed by them have not yet been procured and provided. Another plan of this unit is distribution of household goods among those whose goods have been destroyed in fires. The emergency committee will take steps in this area of distribution.

He then referred to the establishment of the information bank in this unit and said: The information bank has issued an

identification card for every factory in regards to production. For example, the statistics of the Ministry of Industries indicate that 35 blanket factories produce 5.8 million blankets throughout the country. With this unit's identification work, the number of these factories has been actually determined to be 62 units, and their production level is about 10 million blankets. Hence, we have been able, in addition to providing the needs of the organization, to place more than 1 million blankets on reserve and through control, we have been able to bring the production of (Beler) and Pars Electric, which produce television sets, completely under our control.

10,000

CSO: 4640/227



SUPPORT FOR MINISTRY OF COMMERCE PRODUCTIONS ANNOUNCED

Tehran BURS in Persian 5 Dec 84 p 8

[Text] On the basis of a plan which is being implemented, all procurement and distribution centers and the private sector, in order to strengthen the cooperative centers and expand the distribution networks, are responsible to place all their imports of automobile spare parts at the disposal of Iran Khodrow and Gavah companies in order that they may reach the consumers at the earliest possible time. 'Ali Fath'ali, the deputy minister for supporting production and services of the Ministry of Commerce, explained the most important measures and activities of this office concerning regulating the imports in order to support domestic production and the procedures for the procurement and distribution of automobile spare parts and tires in an exclusive interview with IRNA.

First, concerning the policies of the Ministry of Commerce in connection with support for domestic production, he said: In order to support domestic production, the Ministry of Commerce has implemented certain policies in this area, the most important of which is to free the Iranian economy from dependence on oil, reaching the borders of economic independence through providing for domestic needs through domestic production, directing the society towards consuming goods produced domestically, and cooperation and coordination with the Ministries of Industries and Agriculture. Also, it is engaged in regulating the principles of the export and import of industrial and mineral goods in order to support the growth and development of domestic industries. In this regard, he explained the duties of the deputy for support of production and services and said: One of the duties of the deputy office for supporting production of the Ministry of Commerce is to regulate imports into the country in order to support domestic production. For example, concerning the entry of batteries, oil zippers, break units, [illegible], and fuses, arrangements have been made to ensure that the continuation of the import of such goods will not harm domestic production. For this reason, we have based the program of the distribution system on distributing imported goods as well as

domestic products in order to prevent harm to domestic production.

Among other duties of the deputy office, he mentioned the regulation of the production report cards of the distribution system, control over new materials, and the procurement of the needs of the society on the basis of the consumption and other models. Fath'ali then referred to the distribution of the products of 8,500 production units throughout the country, including government, private, and cooperative, which are under the control of this Ministry and for which this unit is responsible for the distribution of spare parts and machinery before production, and said: The activities of this unit are divided into three parts, agricultural, industrial, and mines services, which are active respectively in procuring the service needs of the organizations, collecting information to support agricultural production in the country, and also preparing statistics and information from production units in the foodstuff, construction material, household equipment, and textile groups.

The deputy for supporting production and services referred to the distribution of tires and said: In our country, there is a total of 55 sizes of tires. We produce 25 percent of the tire consumption domestically. In order to compensate for the deficit, the government during the period 21 March 1981-20 March 1982 imported about 600,000 tires, and this figure amounted to 1 million last year.

In the first five months, a total of about 700,000 foreign tires were imported. He emphasized that despite the fact that we have currency restrictions, efforts will be made to provide for the needs of all vehicles in regards to tires.

The deputy for support of production and services pointed out that since 19 September 1983, on the basis of the ratification of the economic council, all the spare parts of companies which are active in trade and services have been separated from the Ministry of Heavy Industries and have become a part of the Ministry of Commerce.

He added: On this basis, the Iran Khodrow procurement and distribution company is responsible for providing parts for 1 million Peykans, 55,000 Peugeots, 52,000 minibuses, and 22,000 buses. Also, Gavah covers parts for 130,000 trucks; (Dena) company covers 111,000 Nisans, bulldozers, and tractors; Pars Yadak company covers parts for 153,000 Ariya, Shahin, and jeep automobiles; Mazda Yadak company is responsible for providing 91,000 various Mazda vans; and finally, the domestic transportation company is responsible for parts needed for 15 Leylands and 2,500 International trucks. In this manner, 60

percent of the light vehicles and 80 percent of the heavy vehicles are covered under this deputy office. It is projected that the level of the sale of spare parts by the above-mentioned companies during the period 21 March 1984-20 March 1985 will amount to about 60 billion rials.

Fath'ali then stressed that in order to strengthen the cooperatives, expand the distribution networks, and shorten the period for the goods to reach the consumer, there is a plan underway on the basis of which the procurement and distribution centers and the private sector are responsible to place all their imports at the disposal of Gavah and Iran Khodrow companies. The program will extend this plan to other companies as well. On the other hand, referring to the plan to reduce the distribution share of the agencies and licensed repair shops of the Iran Khodrow company from 50.8 percent to 35 percent, he added: For this reason, the level of the share to the guild cooperatives, which include 2,200 units in Tehran, has increased from 10.2 to 42 percent.

10,000

CSO: 4640/221

IRAN

CLANDESTINE RADIO REPORTS ON RESUMPTION OF STRIKES

GF070900 (Clandestine) Radio Nejat-e Iran in Persian 1630 GMT 6 Jan 85

[Text] Slowdowns and strikes by textile industry workers have resumed again. According to one of our correspondents in Tehran, the resumption of the strikes was the result of one worker's arm being cut at the elbow by a cloth printing press. This was a direct result of faulty technical equipment and a lack of safety measures. His colleagues working with Ostad Hashem Nassaj stopped work in protest.

This is not the first incident stemming from a lack of attention by government managers of the factories resulting in such sad incidents. In Mazandaran's cotton factory which is run by a mini-mullah, a 22-year old worker lost his life in the electrical department due to lack of any safety measures. Our correspondent also noted that following objections by the textile workers of the Rey cotton mill, the armed guards of the Razmara Avenue committee flooded the factory and severely beat male and female workers with clubs. As a result, a strike began early Saturday morning which spread to other textile factories.

As announced in a statement by the strikers, the strikes are going to continue randomly this week. Officials at the Labor Ministry have not gone to any factory to review the matter and the only reaction of the regime has been to place armed guards at all textile industry facilities in the country.

CSO: 4640/251

# GILAN PAPER MILL TO BECOME SELF-SUFFICIENT

Tehran BURS in Persian 6 Nov 84 p 2

[Text] In the next five years, with the cultivation of 114,000 hectares of reclaimed forest lands, the paper factory of the Chuka Wood and Paper Complex of Gilan will become self-sufficient in the procurement of pulp and will thus succeed in procuring an additional 20 percent of the pulp it needs directly.

The director of the forestry department of the Chuka Wood and Paper Complex of Gilan announced in an interview with the ISLAMIC REPUBLIC NEWS AGENCY that the Province of Gilan has been recognized as one of the country's leading wood producing provinces. He said that in order to implement this policy, and in view of the lack of sufficient credit for the current year, the workers of the forestry department of this complex will make persistent and comprehensive efforts utilizing all resources to cultivate 1.7 million quick-growing coniferous, deciduous and evergreen saplings on 800 hectares of reclaimed forest lands within the jurisdiction of the complex.

He added: The cultivation of the same kinds of trees on 3,000 hectares of reclaimed jungle lands in this area during the last five years will also make a worthy contribution to the procurement of pulp needed by the paper factory. He said: In order to replace through domestic sources the 20 percent of total pulp used which is imported by paper-making units of the complex, the forestry department of the complex intends to revitalize 1,000 hectares of reclaimable forest lands within its jurisdiction every year. It will thus be able to increase the area of forest being cultivated with coniferous, deciduous, and evergreen trees in the next five years to 14,000 hectares, including previously revitalized lands, and the complex will thus attain self-sufficiency in the procurement of pulp needed by the paper factory. This official noted: In the first seven months of the current year [21 March-22 October 1984], with the help of committed personnel, this unit has graded 35 kilometers of land on forest roads, constructed 38 kilometers of gravel roads, grown 1.7 million saplings, procured 105,600 plastic pots with saplings to be transferred to forest lands, and prepared 500 hectares of reclaimed forest lands. Other work done by the forestry department of the complex in the same year includes the preservation and maintenance of 7,000 hectares of cultivation done in previous years and the preparation and compilation of five volumes on forestry practice.

In conclusion he said: In the current year more than 800 million rials in credit was allocated to this department for carrying out forestry development and cultivation projects, of which 554 million rials have been drawn and spent.

9310

CSO: 4640/184

COMMERCIAL COOPERATION WITH FRG ANALYZED

Tehran BURS in Persian 5 Dec 84 p 5

[Text] Dr Grunwald, the director general of the Chambers of Commerce and the German industries and a former government spokesman for that country, took part in a press conference and provided reporters with information concerning trade relations between Iran and Germany. He first said: The Iran-Germany Chamber of Commerce has 560 members, of which 55 percent are Iranian and 45 percent are German. This number of members is of much significance for Germany. He then said: Trade between the two countries has been going on for a long time; these exchanges have been between the nations of the two countries. A very important characteristic of this Chamber is that it only emphasizes commercial affairs. He said: This Chamber has been continually active throughout the past 10 years and one of our goals is to be able to cooperate in expanding Iranian exports to Germany and reduce the trade imbalance between the two countries. For this purpose, there are 69 internal Chambers of Commerce in Germany which can help us in this affair. Grunwald said: The foreign trade relations between the two countries must be bilateral in the long term. Unilateral relations can only continue in the short term. Concerning the export of Iranian oil to Germany, he said that for numerous reasons, including the use of alternative energies, Europe's discovery of new oil resources, conservation in consumption, the existence of open merchandise in the Rotterdam free market and the lack of government oil companies in Germany, a reduction in the export of oil to that country has resulted. But the mutual exchanges must always be considered. He stressed: Our efforts are concentrated mostly on increasing the number of non-petroleum goods from Iran. Concerning the transfer of technology, he said: We will look at this issue more broadly and very seriously following the visit and negotiations of our foreign minister to Iran. We are interested in the three issues of transferring engineers, technical training, and common language.

In conclusion, he said: The transfer of technology is not restricted to innovations which make the engineers happy. The

facilities and techniques which are transferred must be those that employees are able to work with, and we will look at this issue seriously with the experiences that we have gained. During his stay in Iran, Mr Grunwald will meet and talk with the managers of factories and companies in the private sector. It should be pointed out that in the first six months of this Christian year, Iranian exports to Germany amounted to 787 million DM and imports from Germany, 3,566 million DM.

10,000

CSO: 4640/227

## HEAVY INDUSTRY OUTPUTS SHOW INCREASE

Tehran BURS in Persian 4 Dec 84 pp 1-2

[Text] The average daily production of minibuses; bus, jeep, and landrover frames; trucks; forklift combines; Benz engines; automobile spark plugs; electricity posts; compressors; pumps and electric pumps; turbines and ball bearing discharge lids; steel pipes and frames; and aluminum pipes and frames has increased in the first seven months of this year compared to last year. The spokesman of the Ministry of Heavy Industries announced the above statement and, in a report, presented the situation of the production of the units affiliated with this Ministry to IRNA. On the basis of this report, during the first seven months of this year compared to last year, the average daily production of minibuses increased by 7 percent, buses by 1 percent, jeeps by 8 percent, trucks by 3 percent, automobile spark plugs by 7 percent, pumps by 35 percent, and ball bearings by 16 percent. The average daily production of cars decreased by 1 percent, motorcycles by 5 percent, Peykan engines by 2 percent, shock absorbers by 8 percent, drills by 16 percent and tractors by 43 percent. Another part of this report concerning the average daily production of the period 23 September-22 October of these units indicates that in this month the average daily production of most products of the units affiliated with the Ministry of Heavy Industries has increased significantly. In regards to drills, this increase has doubled and in regards to some other items, such as cars, motorcycles, jeeps, landrovers, Peykan engines, pumps and aluminum pipes and frames, by more than 25 percent. The capacity for the production of minibuses, buses, trucks, lift trucks and pistons has also increased by about 10 percent compared to the average daily production of the first six months of this year. During the same period, the average daily production of Benz engines, lathes, and iron pipes and frames in the government sector and turbines and iron pipes and frames in the private sector have decreased. Based on this report, the the production value indicators in all the units of the expansion organization during the period 23 September-22 October continue to ascend, having started in late summer and coming close to the highest figure of production in mid-spring. This course, with



the exception of the engines group, which had increased its production in late summer even compared to mid-spring, showed more growth this month. Also, the vehicle group has increased its indicator figures over mid-spring by 3 percent, and the casting group has brought its production to the level of mid-spring.

10,000

CSO: 4640/230

## IRAN

### BRIEFS

EXPORT LICENSES ISSUED--The public relations office of the Iranian industrial standards and research establishment announced that in the first six months of this year, 1,583 export licenses were issued for goods whose quality conforms to standards. The above-mentioned goods include livestock, and textile, agricultural, chemical, gummose and dry goods products valued at 9,063,322,000 rials, which indicates an increase of 56 percent compared to a similar six months last year. The above-mentioned licenses for animal husbandry products include 8,243,798 (salambur) hides and 1,040,204 units of intestines. Other dried goods and gummose, chemical and textile products, a total of 23,393,513 kg, were exported to Dubai, Kuwait, Hungary, East Germany, West Germany, Czechoslovakia, England, Libya, the Soviet Union, Spain, Italy, Turkey, Belgium and India. [Text] [Tehran BURS in Persian 3 Dec 84 p 1] 10,000

FACTORIES DEPOSIT SALES PROCEEDS--Letter issued by minister of industries. The public relations of the Ministry of Industries announced that all the production and industrial units affiliated with, controlled by and under legal and religious management of the Ministry of Industries in implementing the contents of Note 65 of the budget law for this year and on the basis of the related instructions must take the necessary steps to implement it. The contents of the instructions of the above-mentioned circular letter is as follows: (1) All factories located in the Province of Tehran must deposit .002 percent of their sales proceeds to account No 315 of the treasury and send a photocopy of the bank receipt to the supreme council for engineering and innovative affairs. (2) All factories located in other provinces must report to the general office of industries of the province, receive an account number which has been opened with the approval of the Ministry of Economic Affairs and Finance for this purpose in the Melli Bank of the province, take steps to deposit .002 percent of the sales and send a photocopy of the bank receipt to the supreme council for engineering and innovation affairs. The deadline for depositing the above-mentioned amount on the basis of calculations from the beginning of this year is 21 December of this year and after that date, it will be in accordance with the contents of the implementary bylaws of the above-mentioned legislative note. [Text] [Tehran BURS in Persian 6 Dec 84 p 2] 10,000

CRAFTSMEN PROTECTED BY HANDICRAFT ORGANIZATIONS--Approximately 60 thousand craftsmen in the country's cities and villages are presently covered by the services of the Handicraft Organization. Moreover, in the first six months of the current year [21 March - 22 September 1984] 60 percent of 500 million rials in proceeds from the sale of this organization's products will be paid to the craftsmen it serves. The chief of the National Handicraft Organization, who went to Zahedan to take part in the eighth national meeting of provincial handicraft officials, gave an interview to the ISLAMIC REPUBLIC NEWS AGENCY in which he discussed this matter and the measures taken by the Handicraft Organization to put the products of the handicraft workers it serves on the markets of the world. He said: With the cooperation which has been brought about through the governor-general's office of the Province of Sistan va Baluchestan and the handicraft industries of this province, handicrafts are finding markets in neighboring countries, with the cooperation of border residents in Sistan va Baluchestan, so that we will be able to obtain another non-currency income for the Province of Sistan va Baluchestan and even for the country. He also added: In addition to this, the Islamic Republic Handicraft Organization has established a permanent exhibit in Hamburg, Germany to help find markets for the products of Iranian craftsmen in Europe. The chief of the National Handicraft Organization discussed the growth in the number of craftsmen served by the organization. He said: This organization has been able to carry out and follow through on programs; since the triumph of the Islamic revolution a large number of craftsmen, rural and urban, have become recipients of its services. Statistics show that from 1359 to 1362 [21 March 1980 - 20 March 1984] 14,000 people were employed, as opposed to 200 people in previous years, and these figures speak for themselves. In conclusion, he announced that the number of villages served by the organization is more than 550, and that this organization's development credit for the current year is around one billion rials. [Text] [Tehran BURS in Persian 20 Nov 84 pp 1, 8] 9310

YASUJ GAS LINE, SECOND TRANS-NATIONAL LINE--Operations connecting the six-inch Yasuj gas line to the Number Two Trans-National Line will be completed by the end of the first half of the month of Azar [6 Dec 1984] of the current year, and this city will be connected to the national gas network. In an interview with the ISLAMIC REPUBLIC NEWS AGENCY, the chief of the Yasuj Gas Company discussed operations which have been completed for delivering gas to the city of Yasuj. In discussing this matter, he added: Of the seven kilometers in the secondary gas line to Yasuj ending at the gas concentration station at the village of Zir-e Tel, six kilometers of pipe have been laid so far. The final kilometer is being laid by a subcontractor to the Yasuj Region Five Gas Company, and will be ready to use by the end of the month of Aban [21 November 1984] of the current year. He added: Operations in the second phase of pipe-laying for gas lines to Yasuj over an 18-kilometer distance with 58 million rials in credit are underway and will be completed in the near future. A total of 340 secondary gas lines have now been installed for the people of Yasuj, and 1,000 residential, commercial, and industrial lines will also be installed in this city; with the availability of gas in Yasuj, the villages surrounding the city, as well as 10 villages along the secondary line will gradually be supplied with gas. [Text] [Tehran BURS in Persian 6 Nov 84 p 4] 9310

CSO: 4640/184

## IMPACT OF PAKISTANIS' MIGRATION TO MIDDLE EAST ANALYZED

Islamabad THE MUSLIM in English 19, 27 Dec 84

[Article by Shahid Javed Burki]

[19 Dec 84 p 4]

[Text]

The recent announcement by the Planning Commission that it is working on a three-year rolling plan to take into account the possible shortage of external resources has once again raised some serious questions about the durability in the level of remittances sent home by the Pakistanis working abroad. The Plan document had projected an increase of 10 per cent per annum in real terms in workers' remittances during the 1983-88 period. Instead of growing at that rate, the amount of remittances received in recent months has declined by 8 per cent compared to the same period last year. Does such a significant reduction suggest a change in the trend that began in 1974 — immediately after the first increase in the price of oil — and continued for almost ten years thereafter?

During this period, remittances sent home by Pakistani workers increased at the extraordinary rate of 20 per cent per year. Is the sudden decline of recent months the first indication that a return flow of migrants may be about to begin? If such a return is likely to start, then would it take the form of a trickle or would it become a flood that could completely inundate Pakistan's economic, political and social landscape?

All these are very important questions for Pakistan — not only for its economy but also for its polity and society. This series of three articles seek to provide some tentative answers to the following three questions. First, in what way has migration affected Pakistan? Second, was it proper for the farmers of the Sixth Plan to place such a heavy reliance on migrants' remittances for financing a significant proportion of the foreign exchange gap? Third, and finally, has return migration really begun — or is it about to begin — and if either of these were to happen what would be the consequences for Pakistan?

**IMPACT ON ECONOMY**

There are various ways of gauging the full impact of migration on the economy. It can be done in terms of some aggregate numbers and it can be viewed in a more micro context. Aggregate numbers — or macro-analyses — would provide estimates of the number of people who emigrated, the number of families they came from, and the amounts remitted by them over time. Micro-analysis takes a more closer look at the social and economic impact on individual migrants and their families. The first type of analysis is not difficult if reliable data are available; the second is considerably more cumbersome and tedious since it can be carried out only on the basis of careful surveys on the changes in the life patterns of individual families. However, it is only where such precise information is available that a reliable

estimate can be made of the full cost and benefit of migration.

Unfortunately, any analysis for Pakistan — whether macro or micro — must have a fairly significant element of conjecture and speculation built into it. This is so since reliable data are not available even for the number of people who have migrated over time and the amount of money they have remitted back. The government maintains these statistics but they are subject to a considerable amount of error. Let me illustrate this by using the published data on gross migration and then examine the accuracy of these estimates.

The government's information on the number of people migrating suggest that what was merely a trickle in the early seventies became a torrent ten years later. Before the increase in the price of oil and resultant prosperity in the Middle East, no more than three to four thousand Pakistani workers were leaving the country. Oil price was increased in 1973 and the impact on Pakistan's labour market was almost instantaneous. In the three year period, from 1974 to 1976, over 80,000 workers emigrated. From then on the number steadily increased and during the early eighties, gross migration was estimated at over 150,000 per year. Adding all these numbers together and assuming that none of these migrants returned, would suggest the stock of Pakistanis abroad at just over one million.

### ANNUAL REMITTANCE

The government also estimates that these workers have been remitting nearly \$3 billion a year through official channels. However, with the hundi system now functioning very efficiently, a considerable amount of flow appears to be coming through informal channels. Informal flows may be of the order of one billion dollars. This means that some one million workers are sending \$4 billion to their families back in Pakistan. If the savings rate of these workers averages at two-thirds of their total income, then these workers must be earning some \$6 billion to be able to remit this amount of money. Combined earning of \$6 billion for a million workers translates into a yearly income of \$6000 per worker which is about half the per capita income of Saudi Arabia and other Gulf States. Since a very large proportion of the workers from Pakistan are unskilled workers, it would seem very unlikely that the average income per head of the work force would be more than

one-fourth of the per capita income of the host countries. With average incomes of between \$2500 and \$3000 and saving rates of about 60 to 70 per cent, amount remitted per worker should be less than \$2000. With \$4 billion being remitted, this translates into a Pakistani work force with over two million — perhaps two and a half million — in the countries of the Middle East.

Some recycling must have taken place in the pool of labour Pakistan has exported. The first burst of activity in the Middle East took place in the construction sector where thousands of houses, hundreds of miles of roads, hundreds of schools, scores of hospitals and dozens of hotels were constructed. The work was carried out in a fairly inhospitable climate which meant that even the most able bodied workers could not stay in the labour camp for more than three to five years. It is difficult to be precise about the amount of turnover that has already taken place, but perhaps as many as half a million workers may already have come back to Pakistan. Adding this to the pool that is still abroad suggests that some three million Pakistani workers may have been involved at some time or the other in the wave of migration that began in 1974.

Three million workers constitute more than ten percent of the labour force; since a very large number of the migrants are relatively young, in the age group of 20-25 years, and many of them are semi-skilled (carpenters, bricklayers, masons, cooks, drivers etc.), it is not surprising that shortages of some types of workers have occurred in Pakistan. These shortages have resulted in increasing the real wages of those workers who did not migrate. This is an indirect effect of migration not always taken into account in estimating the benefit from the export of workers.

The extent of the benefit reaped from migration can be gauged from the number of families that must have received remittances during the last ten years. The number of such families should be about equal to the number of workers who have been involved in the flow to the Middle East — estimated above at some three million. With about 12 million households in all, the share of the households that have directly benefited is therefore about one-fourth of the total. If a large number of migrating workers are unskilled and semi-skilled and if a large proportion of these come from the more backward areas of the country, then the impact on income distribution must have been considerable. Perhaps one out of

every two households from the poorer segments of the population and from the poorer parts of the country have benefited directly from migration. Add to this such indirect benefits as the increase in the real wages of the workers that stayed behind, leads one to conclude that there are very few poor households who have not benefited from migration in recent years.

It is calculations such as these that lend some credence to the conclusions I drew in some earlier articles that Pakistan has been able to rid itself of the worst manifestations of poverty. Pakistan does not have the kind of social and economic problems that plague the rest of South Asia. The Census Commission estimated the number of shelterless people in Karachi to be only 18,000; as against this pavement dwellers in the major cities of India run into hundreds of thousands. A recent UNICEF survey of malnutrition in Pakistan identified a fairly large number of seriously affected children but their proportion in total population is nowhere near that of India and Bangladesh. Female literacy is one of the few indicators of social development in which Pakistan does poorly, compared to other South Asian countries but even here migration has had a positive effect. The enrolment rate of girls in schools in the families benefiting from migration is considerably higher than the national average.

## FINANCIAL GAINS

While these benefits from migration are very important, there are many other ways in which Pakistan's economy has gained from exporting such a large body of workers. For instance, the migration of workers to the Middle East provided the labour force with an outlet at the time the domestic economy was stagnating. Migration also produced a very large flow of remittances at the time the country's export sector was performing poorly and the receipts of aid had begun to decline in real terms. The migrants to the Middle East, therefore, provided external resources to the country when the value of its imports — in part because of the explosion in the price of oil and petroleum products and in part because of the equally sharp escalation in the price of capital goods — was increasing very rapidly. In 1973-74, the value of goods and commodities imported by Pakistan was estimated at \$1.4 billion. Ten years later, the import bill had increased to \$6.0 billion. During this ten year period, the total value of imports amounted

to \$31 billion. During the same period, Pakistan received remittances worth \$13 billion through official channels. In other words, workers' remittances have paid for at least 42 per cent of total imports over the last decade.

Pakistani migrants in the Middle East produced one other unexpected benefit for their country. This was for the export industry. Two and a half million Pakistani workers created a large market for the kinds of goods and commodities that would not have normally entered the export market. Consequently, the share of the oil exporting countries in Pakistan's total exports increased from only two per cent in 1960 to 19 per cent in 1982. This remarkable increase in the share of the Middle East in Pakistan's exports occurred at the time when the markets in the industrial world had weakened considerably as a result of recession. Migrants to the Middle East, therefore, provided the country not only with their savings in foreign exchange to pay for the increase in the value of imports occasioned by international inflation and the sharp rise in the price of oil. They also provided the country with increased foreign exchange earnings by creating a special market in which Pakistani producers could sell their goods.

It is obvious that the migration of millions of Pakistanis to the Middle East has had a very calming effect on the country's economy and society. It is equally obvious that a sharp reversal in the past trends — a dramatic change either in the number of people migrating or in the amount of remittances sent by them — will have some very disturbing consequences. The fact of the matter is that migration to the Middle East provided Pakistan some relief but it did not permanently solve any of the major structural problems the country faces. Pakistan's labour force continues to increase at the rate of over 3 per cent per annum; some one million new workers enter the work force every year. However, despite the reasonable rate of growth in the gross domestic product in recent years, it is still not possible to absorb these new entrants to the work force. If migration does not continue to provide the safety-valve it did in the past ten years, a significant proportion of these newcomers would fall to find productive employment. Any significant number of workers returning from the Middle East would further exacerbate the problem.

Finally, Pakistan's expenditure on imports is likely to increase if

it wishes to maintain a decent rate of economic growth. It should be possible to close the trade gap that exists at present — in 1983/84, the difference between the value of imports and exports was estimated at about \$3 billion — but to do it would need a fairly significant restructuring of the economy. Till that is done, the country will have to find the means to pay for the difference and in this remittances and exports to the Middle East have helped a great deal. A significant decline in either of these two sources of external finance could seriously set back the country's development effort. This will be the subject of the next article in this series.

[27 Dec 84 p 4]

[Text]

In many ways, Pakistani workers in the Middle East will continue to influence the evolution and development of their country's economy. They will continue to remit a substantial proportion of their earnings to their families back in Pakistan. The government will go on using the foreign exchange it will receive from the workers to finance the difference between export earnings and the expenditure on imports. The migrant families will spend some of this additional income on current consumption and some on investment. The pool of Pakistani workers in the Middle East will continue to be replenished by new migrants. Those who are leaving the pool will have to be accommodated in the labour force back in Pakistan while the gap left by the new migrants will have to be somehow filled.

Some serious disruptions could occur in all of this. The level of remittances could suddenly increase, as it has done in the past, or it could suddenly decline as many people seem now to fear. The families receiving remittances could suddenly change the pattern of their expenditure: they could decide to increase the proportion spent on current consumption thereby bringing about a profound change in prices, or they could choose to devote a larger share to investments thereby altering quite significantly the

course of development. The present downturn in the economies of the Middle East could degenerate into a serious slump rendering surplus a large pool of foreign workers, including those from Pakistan. Or, these economies could pick up speed once again creating labour shortages that will need to be met once again by bringing in foreign workers. In either case, Pakistan's labour market could be seriously jolted.

In other words, the presence of two and a half million Pakistanis in the Middle East has created an element of considerable uncertainty that has to be very carefully factored into all planning efforts: annual development plans, rolling multi-year plans, medium-term development plans. How well is this being done at present? Before answering this question, I would like to raise one other: should the government intervene at all or should it let the market manage the migration to the Middle East? Both questions are important. I will answer the second question first.

## UNCERTAINTY

Presence of uncertainty always creates pressures for government intervention and, consequently, there have always been demands made upon the Government of Pakistan to actively involve itself in managing the flow of migrants to the Middle East and managing also the flow of resources sent back by the migrants. It has appeared at times that the government was prepared to accept these demands. It has entered the business of recruiting workers to be sent to the Middle East; it has made several attempts to regulate the work of the private recruitment agencies; it

has set up a number of organisations to provide help of various kinds to the workers overseas and their dependents in Pakistan; and, on one occasion, it made an attempt to directly tax the savings of the Pakistanis working abroad. All these attempts notwithstanding, the government's touch has been relatively light and it has left the market by and large to its own devices. That was the right thing to do. One can be reasonably certain that had the government intervened more decisively in the past, Pakistan would not have had such a large pool of workers in the Middle East, emigrants would not have come in such large numbers from the less advantaged parts of the country and from the poorer segments of the population, and the remittances sent by the workers would not have grown at such a significant rate. Even though the market was and remains disorganised, through sheer enterprise and spontaneity that only private entrepreneurs can muster and display, Pakistan was able to derive an enormous amount of benefit from the economic developments in the Middle East. It was one of the very few countries able to do this; most others are still reeling from the effects of inflation of the seventies.

The increased uncertainty about the future is occasioned by events in the Middle East and therefore by a set of circumstances over which Pakistan has little or no control; is this reason enough for the government to revise its past approach and establish a much firmer control over migration and associated inflow of resources? The answer to this question depends in part on how we evaluate the Middle Eastern situation and how the evolution of that situation will influence Pakistan. That in itself is an important matter and deserves a much fuller treatment. As such, it will be the subject of the final article in this series. At this stage, I will restrict myself to the important issues concerning migration and of which the planners should be fully cognisant.

### FIVE ISSUES

There are five such issues: the contribution of migrants' remittances to the pool of external resources available to Pakistan, the deployment of these resources by the ultimate recipients, the impact of migration on the labour market, the social consequences of migration and the possible political impact of the exposure of Pakistan to the outside world as a result of the presence of such a large work force in the countries that are at the centre of social transformation. The first four of these five issues have

great relevance for Pakistan's future development and, consequently, should have received close scrutiny by the planners while they were putting together the Sixth Plan. Unfortunately, it was only the first — the question of resources — that was handled in some depth. The remaining three did not receive much attention, presumably because not much data and information were available to reach firm conclusions. The fifth issue — migration and political development — is also of great consequence and should get to be researched by our social scientists. It is outside the scope of this analysis.

"So establish weight with justice and fall not short in the balance" is the Koranic injunction with which begins the Sixth Plan's chapter on external resources for the planning effort during 1983-88. In the five year period leading up to the first year of the Sixth Plan, imports had increased at the rate of 16 per cent per annum while exports had grown by just over 13.5 per cent. Consequently, the trade gap had widened quite significantly — from \$1.5 billion in 1977-78 to \$3.4 billion in 1982-83. Expressed in terms of the proportion of the country's gross national product, the trade gap had increased from 8.5 per cent to 10.1 per cent. It went up as high as 10.4 per cent in 1981-82. This is too large a gap to be sustained over a long period of time; what made it possible for Pakistan to maintain such a large difference between export earnings and import expenditures was the 20 per cent increase per annum in the remittances sent by Pakistani workers. Because of these remittances, the payments deficit averaged at four per cent of the GNP which is a manageable proportion if other forms of external resources are available through foreign aid and commercial borrowings.

The Sixth Plan strategy for dealing with the future was a simple one: to assume that the past trend in the rates of growth in imports and exports would be reversed and that instead of imports increasing at a rate considerably faster than exports — as had happened in the past — it would be exports that, in the future, would fare better than imports. Exports were projected to increase at the rate of 15.1 per cent and imports by 11.6 per cent. Consequently, the trade gap during the Sixth Plan period was expected to decline to 8.8 per cent, roughly to the level that prevailed at the start of the Fifth Plan. The Plan's projections for the growth in remittances were moderate: instead of assuming that the



Fifth Plan's rate would be maintained into the five years of the Sixth Plan, the planners assumed a rate of increase of only 10 per cent or half that of the Fifth Plan's five years. In 1982-83, remittances of \$2.85 billion had financed 49 per cent of total imports. In 1987-88, the last year of the Sixth Plan, their contribution was expected to decline to 46 per cent. In other words, the Plan's strategy was to reduce the dependence on worker's remittances and to turn to export earnings for financing a larger proportion of imports. The simultaneous reversal of these two trends would have meant a very significant structural change in the economy. It seems clear now, with the Plan well into its second year, that such a change has not begun to occur. If anything, the failure of the cotton crop last year and the decline in the output of wheat has resulted in export stagnation while imports continue to increase. At the same time, instead of increasing at the rate of 10 per cent, the flow of remittances in 1984-85 might register its first yearly decline since the phenomenal increase began in the early seventies.

### EXPORT PLAN

The Planning Commission's current work on a three year rolling plan to cover the latter part of the Sixth Plan period will no doubt deal with this situation. What is called for is the development of a comprehensive export plan, based on the country's natural endowment and a careful reading of the external situation. In this effort, the sector of agriculture will need to play an even more important role than was originally envisaged, and it should be required to do so by a considerable amount of emphasis on the development of high value added crops. These crops could provide significant import substitution — as in the case of oil imports — and a considerable expansion in exports — as in the case of fruit, vegetables and poultry products. The poor performance of cotton and wheat crops has once again demonstrated how vulnerable the economy is to the extreme fluctuations in the output of traditional crops.

Excessive preoccupation with the external resource generation aspect of migration to the Middle East has meant that some of its other consequences have received little or no attention, even in the Sixth Plan which is strong on the need for social development. There is now a fair amount of evidence — albeit mostly secondary

and, therefore, indirect — to show that the families benefiting from remittances have used them in three different ways. When the recipients were very poor, they have spent a good proportion of this additional income on meeting the basic needs of their families. The state should have actively encouraged this by helping to improve the supply of the goods, commodities and services on which this kind of expenditure was being made. If shortages occur — as they did on numerous occasions — then benefit goes to those who produce and market the items demanded. This is one way in which transfer of income takes place from the poor to the rich. This is an important enough matter to receive the government's attention. Even if remittances do not increase and remain at about \$3 billion a year, this will still constitute a significant amount of resource flow to the less privileged segments of the population, and it is important not to have a large proportion of it go to the producers or sellers of goods and commodities demanded by the poor.

### "SUZUKI REVOLUTION"

A sizeable share of remittances appears to have gone into investments very vital for the economy but that one not easily noticeable. They have taken the form of land improvement, acquisition of new tools and equipment, and establishment of new marketing arrangements in the rural areas. The so-called "Suzuki revolution" — the use of Suzuki vans to transport village agricultural surplus — will have a profound long term impact on the development of the countryside. Once again, the state has to display its helping hand by providing the physical infrastructure to support this development.

The third prominent element in the use of remittances is in speculative investments — much of it in real estate. The source of this investment are the more well-to-do migrants or those who have benefited indirectly from the increase in relative prices resulting from the shortages of some of the goods, commodities and services needed by families of the migrants. I commented on this phenomenon in an earlier article (The Muslim, August 8, 1984) in which I suggested that the real estate boom being experienced in several Pakistani cities was drawing resources away from the more productive sectors of the economy and had to be checked by increasing the cost of transacting business.

The impact of migration on domestic labour markets will also

have a long term impact on the country's development even if remittances and net flow of workers to the Middle East do not increase. Once again, the subject has not received much attention generally or in the Sixth Plan document. The consequences are there for all to see: the popularity of degrees in business administrations is one manifestation of this phenomenon while the selective mechanisation of agriculture is another. Whether it is appropriate for the country to produce thousands of graduates in business administration - much as it produced doctors when there was a high demand for them in Europe and the United States - and whether agriculture should be mechanised when this labour force continues to increase at the rate of over 3.0 per cent are questions only a careful examination can answer.

The main conclusion that I wish to draw from this analysis is that even if the Sixth Plan's targets materialize, the contribution of remittances to Pakistan's need for external resources declines, there are other aspects of migration - some social, many economic - that must be carefully investigated and understood in order to produce a better future for all those who have benefited directly or indirectly from the opportunities available in the Middle East.

CSO: 4600/195

ZIA SAYS CONSTITUTION TO BE AMENDED AFTER ELECTION DATES

Karachi DAWN in English 28 Dec 84 p 1

[Text]

KARACHI, Dec 27: President Gen Mohammad Zia-ul-Haq said here today that the Government was now in the process of assessing the earliest possible sequence by which the entire process of elections could be completed by March 23, 1985.

Talking to newsmen on arrival here at the airport, the President said it would be his effort to amend the Constitution after the announcement of election dates.

He told another correspondent that the election procedure would be completed within 45 days.

The President said the Chief Election Commissioner would announce election schedule.

He told a questioner that details such as dates of elections, whether to be held on a party or non-party basis, would be announced at an appropriate time.

He said that he would visit Karachi first after taking final deci-

sions about elections.

The President said the Government was determined to ensure not only free and fair but "efficient poll."

Answering another question, Gen Zia said he had been meeting politicians and would continue to do so in future.

At the very outset, the President thanked the nation for giving him an overwhelming mandate in the referendum. "It makes me really feel humble before God Almighty," he said.

About Bihari Muslims in Bangladesh, the President said Pakistan had accepted many more than what was agreed upon under an agreement during the last seven years. Bihari Muslims, he said, were the problem of Bangladesh and not of Pakistan.

The President said that Pakistan was the fort of Islam and any Muslim was welcome here. But he added that Pakistan did not want to add to the number of destitutes.

CSO: 4600/206

## ZIA SAID FIRM ON CHANGES IN CONSTITUTION

Karachi DAWN in English 27 Dec 84 p 10

[Text]

LAHORE, Dec 26: Spelling out his programme for the transfer of power, President General Moham-mad Zia-ul-Haq has expressed his determination to make some very important and basic amendments in the 1973 Constitution before the general elections. One of the important amendments would be to constitutionalise the proposed national security council drawn mainly from the armed forces, he said.

The President was addressing a news conference, his first after the December-19 referendum, at the Lahore Airport after arrival from Islamabad on Tuesday. He had come here on a day's visit to attend a civic reception and to inaugurate the Quaid-i-Azam Library.

He was of the view that although he had already obtained a clear mandate through the referendum, he would consider consulting front-line politicians of all shades of opinion before making amendments in the Constitution.

President Zia said his doors were always open to all of them and he himself would call the politicians to take them into confidence. Till now the government has not abrogated the constitution, he added.

In a confident tone Gen. Zia made it clear that his position as an elected president would start only after both houses of parliament had met after the elections. Until this happened, he would continue to hold power as Chief of the Army Staff and would make amendments in the Constitution in his existing capacity, he said.

On the election schedule, Gen.

Zia said he would make an announcement in this regard after the cabinet meeting which was coming up within a day or two. Details of the plan would be announced by the Chief Election Commissioner.

He said the cabinet would also consider as to what should be the mode of the elections, whether they should be held on multi-party or non-party basis. There were two proposals on the ballot papers one being that they should bear both the names and symbols of the candidates or just the symbols. If this proposal was accepted it would take a period of three weeks to complete the printing process. But if the ballot papers were published without names about ten days could be saved out of an electioneering period of 42 days, he said.

The President said certain changes would be made in the polling plan particularly keeping in view the flaws which had come to public notice during the referendum. The government, he said, had considered these as administrative snags of the referendum and would take it as a rehearsal to the elections.

All anomalies and difficulties would be removed before the polling schedule was announced. The federal cabinet would also take account of the issue and make a decision, he said.

The President said he wanted to exercise the demon of corruption. The government had certain plans in mind in this regard which would be made public at an appropriate time, he added.

COMMENTARY VIEWS INDIAN, PAKISTANI ELECTIONS

GF100744 Lahore JANG in Urdu 31 Dec 84 p 3

[Excerpts] The Congress-I Party has achieved a spectacular, record success in the Indian elections. Rajiv Gandhi has been elected the legal prime minister of India. The Indian opposition parties were routed everywhere except in West Bengal, Kashmir, and Andhra Pradesh. As a result, the Congress-I Party received a popular mandate to govern India.

As far as the domestic problems of India are concerned, Rajiv Gandhi stated that he will attend to these issues first. Speaking about the Sikh problem, Rajiv Gandhi said that he had devised a new formula which he will implement soon. While stressing the need for good relations with neighbors, Gandhi also praised the good intentions of Pakistani President Ziaul Haq.

Whatever caused this spectacular success, such success was never granted to the late Mr Nehru or his daughter, Mrs Indira Gandhi.

In the past, the Indian Government has given priority to buying arms and military hardware. This preoccupation with the military had no doubt relegated public welfare programs to a secondary position. Now that a majority electoral victory has again brought the Congress-I party to power, it is expected that the party will strive to upgrade public welfare programs. The party is also expected to stabilize peace in the region. The arms race and the mistrust generated by such a policy has already damaged the trust of India's neighbors. The arms race has also hampered economic progress in the region. Mutual trust and good will can certainly bring peace and economic progress to countries in South Asia. What Rajiv Gandhi has praised in General Ziaul Haq has always been the policy of Pakistan. We want good-neighborly and mutually rewarding relations with India. It is hoped that Mr Rajiv Gandhi will respond accordingly to our desire for friendship and amity.

At home, the recent referendum has provided a new mandate to General Ziaul Haq and has also started the process of democracy in the country. There will be general elections within the next 3 months. Although it is true that our goal is not a Western type of democratic system, we are still striving to establish an Islamic democracy. The new system will help introduce Islamic values and adhere to the laws of God.

As the referendum has shown, the people are all for the Islamic system. An Islamic system also requires taking the people into its confidence and keeping the public informed of whatever is happening in the country. In order to instruct the people the existence of political parties is also essential.

Since the government has not yet announced the election format, it would be proper for the government to agree to elections on a party basis in which all parties supporting the ideology of Pakistan will be given a chance to take part. The adoption of this method will once again restore governmental power to elected representatives of the people and help restore peace and trust within the country.

And in restoring good relations with India, the elected governments in both countries will easily achieve the goals they have set for themselves.

CSO: 4656/65

PAKISTANI PAPER COMMENTS ON EVILS OF DEMOCRACIES

GF051004 Karachi MASHRIQ in Urdu 2 Jan 85 p 3

[Editorial: "Lessons To Be Learned From the Indian Elections"]

[Text] In view of its nature, status, work, and activity, democracy is purely a Western system. The basic demand for its success is that society should be highly intelligent and experienced. People should be educated and well informed. The general public should be so educated and intelligent that it should possess the qualifications of tolerance and forbearance. We see that in countries in which this system is working successfully, the people of those countries have a high level of intelligence and literacy.

In the Third World, India is the only country in which it is said that democracy is working successfully. Indian leaders and intelligentsia keep harping on this theme. However, if you look seriously at the working of democracy in India, you will realize that there too, just as in other Asian countries, democracy is working through threats, rigging, and wealth. In view of all kinds of impairments which accompany it, democracy in these countries has emerged in the shape of a party dictatorship.

In the elections, zeal, fervor, and belief overcame sagacity and intelligence. There have been, so to speak, 9 or 10 general elections in India so far, but every time these elections have been marred by the use of threats, rigging and wealth; murder too has been committed in the name of democratic principles.

Let us look into the current general elections. In addition to widespread complaints of threats, rigging, and buying of votes there have been more than 65 deaths during the balloting, not to speak of the several hundred wounded. Instead of displaying wisdom and intelligence on the news of a landslide victory, there have been emotional scenes. This aspect of democracy carries a warning not only for Pakistan but also for the lovers of the Western form of democracy.

CSO: 4656/65

# COMMITTEE FOR ADOPTION OF URDU CONSTITUTED

Karachi DAWN in English 27 Dec 84 p 10

[Text]

KARACHI, Dec 26: An 8-member Committee has been constituted by the Federal Government for the adoption of Urdu as medium of instruction, it was officially announced.

The terms of reference of the Committee are to prepare a detailed report on:

(i) Factual position of Urdu as medium of instruction at various levels of education in the country; (ii) Quality of textbooks in Urdu; (iii) Quality and utilisation of the end product of the existing Urdu college in Karachi; (iv) Extent of standardisation needed to be achieved in the use of terminology in the textbooks; (v) Exact quantum of work, finances, time span and administrative machinery required to prepare, print and distribute text books in Urdu to bring about the change from English to Urdu; (vi) Translation needs and machinery to meet them together with finances and time frame re-

quired; (vii) Training of teachers along with estimates of funds and time required for the purpose; (viii) Extent of likely decline or improvement in standards as a result of switch over from English to Urdu.

The Committee will submit its report to the Cabinet Division as soon as possible for consideration by the Cabinet Committee on the National Language Authority. Cabinet Division will provide secretarial assistance to the Committee for completion of its assignments, expenditure, if any, shall be met by the Cabinet Division.

The Joint Secretary (Coordination) Cabinet Division shall be the Chairman of the Committee with representatives of the Federal Ministry of Education and Education Department of the four provinces, National Language Authority and the University Grants Commission as its members.

CSO: 4600/206



# LEGISLATION TO REHABILITATE DISQUALIFIED POLITICIANS

Karachi DAWN in English 29 Dec 84 p 10

[Text]

LAHORE, Dec 28: A legislation seeking exemption for various politicians disqualified for a period of seven years is on the anvil, and an announcement to this effect is expected shortly.

The enactment of such legislation would pave the way for about a 100 political leaders to re-enter the political — and electoral — arena. Nevertheless, discretion to allow these politicians to again take part in politics would rest with the federal government.

About a hundred political leaders, all belonging to the defunct Pakistan People's Party, were disqualified from taking part in political activities for a period of seven years under the process of accountability started in Nov. 1977. Disqualification tribunals were set up under M.L.O. 21 and the politicians were tried by them under the Holders of Representative Offices (Punishment for Misconduct) Order 1977, and the Parliament and Provincial Assemblies (Disqualification for Membership) Order 1977. Both the laws came into effect from Nov. 25 that year.

The first political leader to be disqualified was Sheikh Mohd. Rashid, in March 1978. He was followed by a number of politicians and members of national and provincial assemblies. At present, about 50 per cent of the disqualified political leaders have completed

the term and now stand qualified to take part in political activities as well as to contest elections. Even prior to this some of them, including Sardar Khalid Omer and Mr Abdul Khaliq, were welcomed to politics. While Sardar Khalid Omer was allowed to contest local bodies elections and is presently the chairman of the Lahore District Council, Mr Abdul Khaliq is a member of the N.W.F.P. cabinet.

Other prominent political leaders disqualified are: Malik Meraj Khalid, Rana Shaukat Mahmood, Malik Mohammad Akhtar, Nawab Sadiq Hussain Qureshi, Mr Hafeezullah Cheema, Mr Mumtaz Khalon, Malik Hamid Yasin, Mr Khurshid Anwer (Vehari), Mian Ehsan-ul-Haq (Faisalabad), Mian Ehsan-ul-Haq (former senator from Lahore), Malik Hakmeen Khan, Malik Mukhtar Awan, Mr Khurshid Hasan Mir, Rana Iqbal Ahmad Khan, Mr S.M. Masood, Chaudhri Talib Hussain and Chaudhri Mumtaz Ahmad (from Faisalabad).

The proposed law will exempt most of the disqualified persons from seeking a seat in the national or provincial assemblies and is aimed at relaxing the restriction on a number of them prior to general elections. However, they would have to wait for a clearance from the government before qualifying as candidates.

CSO: 4600/208

## DEFENSE MINISTER CRITICIZES FOREIGN MEDIA REPORTING ON REFERENDUM

Karachi DAWN in English 28 Dec 84 p 17

[Text]

KARACHI, Dec 27: Federal Defence Minister, Mir Ali Ahmad Talpur, on Wednesday described as "blatant lie" the reports circulated by foreign Press media about the referendum.

Talking to newsmen at Karachi Airport, he said that the people in the interior of Sind showed great enthusiasm in the referendum. They turned up at polling booths in greater number to exercise their right of franchise.

To another question, the Minister said that decisions about the polls had already been taken. He hoped that the national parliament would meet after the entire process of elections are completed by March 23, 1985.

The Federal Minister has regretted the misleading B.B.C. broadcasts on Dec 19 referendum.

He said the B.B.C. had misreported the facts and indulged in gross violation of honest reporting.

He said although B.B.C. is well known for deliberate distortions concerning the Muslim world, but in case of Referendum it had crossed all limits of objective reporting.

Mr. Talpur said neither anybody had resorted to door-to-door canvassing nor people were pulled out of their homes to cast their votes in the referendum. They had

come voluntarily to exercise their right of franchise despite various difficulties that came in their way and participated with enthusiasm and vigour.

Regarding the activities of some of the so-called MRD leaders, the Defence Minister claimed that they were incapable of attracting people and have no mass appeal. Reports that they had addressed large gatherings were just a figment of imagination aimed at misleading the people.

Mir Sahib said that the popularity or otherwise of these leaders could well be judged from the fact that despite remaining in jails for eight months during the so-called MRD movement they were not made heroes by the public, which they thought, they would become. They were not even garlanded or given receptions by their own party workers.

The Defence Minister further disclosed that the entire election schedule was approved unanimously by the Cabinet on Wednesday in Islamabad which will now be announced by the President.

He said Gen. Zia-ul-Haq is a very democratic minded person. He postpones discussion on any subject in case of disagreement but never imposes or thrusts his will on the Cabinet, he said.—

CSO: 4600/208

# REFERENDUM SEEN AS 'RETREAT' FROM PROMISED POLITICAL STRUCTURE

Lahore VIEWPOINT in English 6 Dec 84 p 10

[Article by Ayaz Amir: "Retreat From Aug. 12"]

[Text] "The present Government has never tried to prolong its rule in the name of Islam."--General Ziaul Haq. Broadcast to the nation, 1 Dec. 1984.

After seven and a half years of trying to prepare the pitch, it was not unreasonable to assume that at long last the regime might overcome its scruples and make a straightforward announcement regarding the elections as per its own August 12 formula. For some indeed it seemed as if General Zia was about to do just that. As long as an outside chance of an election announcement existed, the air was heavy with suspense. But it began to disappear as the movement from the sublime to its barely concealed opposite became clear.

## Aborted

What the people of Pakistan finally received amounted to a retreat even in terms of the August 12 package. Vague and imprecise as it was, it was specific on the count that the President of the Islamic Republic would be elected by the Parliament (comprising the National Assembly and the Senate) which was to come into existence before March 23, 1984. That process has now been aborted. The referendum on December 19 will amount to the quickest and the most painless presidential election on record. A "yes" vote to the question whether the people endorse General Zia's policies will automatically mean General Zia's election as head of State for a period of five years from the date the new Parliament comes into existence. As a concession to democracy, it has been explained that this method of election will be followed only for once.

What does this turnaround mean? There was hardly room for further safeguards in the August 12 package which was replete with in-built safety devices. But it seems that in the corridors of power there is a deep anxiety about the consequence of any form of political opening. That can be the only explanation for this extraordinary care in ensuring that the election of the President, never mind by what means, is safely in hand before the rest of the package is unveiled.

Referendums in Third World countries are seldom lost by sitting rulers. Sadaat regularly won them by a 99 percent majority. So has Marcos. For the next

fortnight or more the media will be going all out to sell it. The entire administrative machinery will swing into action in order to achieve a positive vote. The Opposition on the other hand will remain shackled, unable to hold mass rallies or public processions, the only means at its disposal to take its word to the people. Nor will it be able to explain to the masses why it is possible to consider such a referendum as a diversion from democracy. This being the case, no one should be surprised if there is a massive "yes" vote on December 19.

Let no one think, however, that there is no long-term price for such short-term measures. The idea of a referendum may look attractive in the Cabinet room but apparently no one has cared to calculate its price in terms of lost credibility and trust. The boycott sentiment has also been strengthened with the realisation that any polls not held on the basis of the 1973 Constitution would invariably amount to a legitimisation of the status quo. At one stroke the Opposition stand has been vindicated.

#### Accused of Evil

What is more, its image has been bolstered. An organisation which was being dismissed as of no consequence is now being accused of all manner of evil... "borne out," as the President declared, "by the letters they received from abroad and the resolutions being passed by them within the country. Illegal money was also being received by them for causing turmoil, terror and violence...(all this) was evident by their actions and deeds, also from the plans which they were making at the behest of their foreign masters." The MRD has never looked taller than in the reflection cast by these words. The people may not be credited with much intelligence, but are they not bound to conclude from these words that the MRD had more to it than the regime was willing to admit?

In all of its seven years in office the regime has given the impression only once before of being on the defensive and that was during last year's agitation in Sind. This is the second time it is giving a similar impression. The MRD, thus, has every reason to feel satisfied by the success of its strategy. Its future task has also been facilitated.

In politics, as in war, good captains avoid self-defeating exercises but then, as Air Marshal Asghar Khan observed when he heard the news of the referendum, "how else is a government to create problems for itself if not with the accumulation of such errors?"

CSO: 4600/177

SENATORS SAID SATISFIED WITH VISIT, REGIME'S ASSURANCES

Lahore VIEWPOINT in English 6 Dec 84 p 17

[Text] The CMLA-President's announcement of the referendum plan has shifted the focus from the work of the Election Coordination Committee.

Earlier, Raja Sikander Zaman had listed many signs that tell that the elections were round the corner. He said would-be candidates have already started their campaign by meeting people, attending weddings and funerals, seeking people in the courts, renewing contacts.

The American Senators who were here also said that they had been told that the elections will be held in the spring of 1985.

Before leaving for New Delhi after a four-day stay in Pakistan, the Senators told a news conference that Pakistan should unilaterally sign the NPT (Nuclear Nonproliferation Treaty) and collaborate with India for the security of the region as both faced "a joint security problem" in view of the Soviet presence in Afghanistan.

Senators Sam Nunn and John Glenn disclosed that they had been given "strong assurances" by the CMLA-President and the Chairman of the Pakistan Atomic Energy Commission that Pakistan had no intention to acquire nuclear weapons. They said: "We accepted this as the firm commitment of this Government and the best evidence of their intentions."

(An American document issued a day later (Nov. 30) said that Pakistan was capable of making an atomic bomb by 1990 and that Israel has already had about 100 bombs.)

No to Chashma

Senator Glenn is the author of the 1978 amendment which concerns US assistance to countries engaged in nuclear power development and have not signed the NPT. Glenn (indirectly) ruled out any possibility, when asked, of American help for Pakistan's Chasma nuclear project as US laws bar any transfer of technology or equipment for nuclear projects. Not even because of Pakistan's "special security" requirements--as a questioner put it--, Glenn said.

The two Senators said that their country (all the Senators belonged to the Democratic Party) recognised Pakistan's needs and would support aid to improve its defences.

A day earlier reports appeared here that the 1981 US-Pakistan military sales programme may be suitably adjusted to enable Islamabad to get more sophisticated radar-equipped early warning planes to strengthen its defence along the Pak-Afghan border.

How early? Will these planes be able to stop the type of violations which have now become rather frequent along the Durand Line? This question was asked in relevant quarters by a newsman. Officials agreed with the correspondent that these planes will be of little value. Nonetheless, negotiations have begun and the Chairman of the U.S. Joint Chiefs of Staff, Gen. Vassey, according to a report from Washington, will be here soon (Dec. 7) on a 5-day visit to discuss this and other defence matters with the Government.

It may be mentioned that disbursements under the US military sales programme involving the 1.6 billion dollar credit are to continue for another three years on a year-to-year basis following Senate approval. The ad hoc sanction for fiscal 1985 is subject to a fresh approval by the new Senate next month (Jan.) and for this purpose the visit of the Democratic Senators was considered significant.

#### Aid Doubled

Meanwhile, the United States has doubled its aid to the Afghan mujahideen for the next year, according to NEW YORK TIMES. With this, the activities of the American-backed mujahideen are likely to escalate.

Notwithstanding what is going on both sides of the Durand Line, informed quarters in Islamabad hope that bilateral ties with the Soviet Union would remain unimpaired and that Moscow will send a high dignitary to the inauguration ceremony of the Soviet-aided Karachi Steel Mills. The Soviet Union has given 2.7 billion dollar worth of assistance for this giant project which the Americans had refused to finance. The matter of Soviet representation at the Steel Mills function is being negotiated, it is said, at a slow pace between Islamabad and Moscow. Relations between the two countries were described by Ambassador Smirnov recently as 'not good' and he gave many instances at a gathering of Pressmen of acts and attitudes "which do not promote good relations."

CSO: 4600/177

## MRD HOLDS PROTEST MEETING AGAINST REFERENDUM VERDICT

Karachi DAWN in English 20 Dec 84 p 10

[Text]

LAHORE, Dec. 19: In conso- in the melee.  
 nance with the referendum boycott Later, participants at the MRD  
 announced by the Movement for meeting tried to take out a protest  
 the Restoration of Democracy, a procession, but were stopped.  
 meeting was staged in the Masjid-i- Police resorted to a lathi charge, in  
 Shuhada on The Mall which was ad- the course of which even women  
 dressed, among others, by were not spared.  
 Nawabzada Nasrullah Khan of the Afterwards, MRD workers split  
 (defunct) PDP and Malik Moham- up into splinter groups and  
 mad Qasim of the PML (also marched along side-roads. There  
 defunct). were some instances of brick-

Speakers claimed that the nation batting outside polling stations,  
 had given its verdict against the and the protestors tore off  
 present regime by boycotting the pamphlets and posters from walls  
 referendum, and that "not more and raised slogans.  
 than ten per cent" of the voters had  
 bothered to cast ballots.

About twenty or so MRD sup-  
 porters were arrested, but there  
 was no prominent leader among  
 them.  
 They announced that the MRD  
 would observe Dec. 21 as Yom-i-  
 Nijaat (day of deliverance), and a  
 meeting would be held at Noori  
 Masjid after Friday prayers.

Traffic remained suspended for  
 over two hours on The Mall bet-  
 ween Regal Chowk and Charing  
 Cross.  
 Roughly five thousand people  
 gathered outside the mosque on  
 Wednesday when a small group of  
 about 25 people appeared on the  
 scene, raising pro-Gen Zia and anti-  
 MRD slogans. A large police contin-  
 gent was on duty to prevent any  
 untoward incident. When the anti-  
 MRD demonstrators resorted to  
 brick-batting, police intervened  
 and the crowd dispersed after a ba-  
 ton charge. Some people were hurt

Meanwhile, a local journalist,  
 Mr. Imtiaz-ul-Haq, was injured  
 when hit on the head by an unk-  
 nown assailant while performing  
 his professional duties at the  
 Masjid-i-Shuhada while the MRD  
 meeting was in progress.

According to a case registered by  
 the Civil Lines police, Mr. Haq was  
 attacked by some people who had  
 come in a jeep.

CSO: 4600/177

COMMENTARY FINDS FAULT WITH ECONOMIC PLANNING

Lahore VIEWPOINT in English 6 Dec 84 p 7

[From the "Between the Lines" column: "Of Self-Assessment"]

[Text] Except in the matter of declaration of profits or assets for purposes of Income Tax, very few Pakistanis are modest in self-assessment of their achievements and accomplishments.

Most fellow-citizens seem to be afflicted with the sub-continental malady of compulsive indulgence in high hyperbole and gross exaggeration. With ordinary individuals, this weakness just makes them terrible bores. But where the individual carries responsibility of any sort, the fault is no laughing matter and can have serious consequences; for, logically, this failing is accompanied often by a refusal to face reality and hence an incapacity to analyse problems and devise appropriate solutions.

The wish

Two recent statements by men in authority concerned with essential sectors of national life--the economy and education--illustrate the point one wants to make. First, Planning and Development Minister Dr Mehboob-ul-Haq,--who either acts as Pakistan's representative with the World Bank or as the Bank's representative in Pakistan--told a visiting Japanese delegation the other day that Pakistan was on "the threshold of becoming a middle income country" and that this would happen on completion of the current Sixth Five-Year Plan to which "the Government was fully committed." Such easy promotion within a couple of years from the class of the poorest countries in the world to the middle income group represents a happy wish; and, obviously, the dream will be realized when Pakistan is able or allowed to mobilize its resources properly for the take-off that we have been waiting for over the decades. But any such forecast at this stage seems premature, to say the very least. As for the assurance given about implementation of the Plan to his Japanese guests, Dr Mehboob-ul-Haq seems to have forgotten that a fortnight ago he himself announced that the Plan was being cut and that an alternate three-year rolling plan would see us through the rest of the five-year period. Many people have estimated that this decision implies a cut of 50 percent in industrial targets.

More relevantly, it is not possible to shut out eyes to a downturn in economic activity. Exports are down by 20 percent when measured in terms of the U.S.



dollar. Trade deficits have risen by 30 percent during the last quarter. Remittances from Pakistanis working in the Gulf and other foreign countries have fallen steadily, and every forecast shows that the trend will continue. Further, industrial sanctions have declined and all investment is shyer than ever before. In addition to this, Pakistan faces grave shortages in respect of energy which are bound to have an adverse effect on both industry and agriculture. Agriculture already has been subject to drought and poor conditions resulting in crop failures. The overall situation has been worsened by the continuing devaluation of the rupee, and the rise in U.S. bank interest rates, which means, among other things, that Pakistan's debt burden continues to rise steadily. All this has to be recognized by our planners, if they are to do something more than make promises for tomorrow which, as often in the past, will not be fulfilled.

CSO: 4600/177

COMMENTARY SAYS 'NATION LIVING BEYOND ITS VISIBLE MEANS'

Karachi DAWN in English 28 Dec 84 p 15

[Article by Sultan Ahmed]

[Text]

THE theme song of the annual report of the State Bank of Pakistan, after detailing the grey economic facts of 1983-84, is the urgency for rapidly increasing domestic savings. A steady acceleration of savings is regarded imperative to cushion economic setbacks in the future and build a secure future by avoiding investment stagnation.

Ours is a truly amazing country. The more it earns the less it saves. The more the Government mobilises as tax revenues the less it saves and the larger its budget deficits. And the larger the incentives to the private sector and the more the industrial expansion the less is its ability to save and invest. The basic issue now is: how to break this logjam without progress in one sector hurting the others, or one sector saving more without starving the others?

### High spending

Before Pakistanis began going to the oil States in large numbers following the oil price boom of 1974 and sending large sums of money home the domestic savings rate was 10.1 per cent of GDP, but when the remittances began rising sharply from a mere 145 million dollars in 1972-73 and reached 1,226 million

dollars in 1977-78 the savings rate dropped to 6.9 per cent. And, when the remittances soared to 2,412 million dollars in 1981-82 the savings shrunk to a virtual half at 3.7 per cent for the near doubling of the remittances. Mention of domestic savings then vanished from the State Bank's annual report. Clearly we are a high spending people who are worse saving-wise for being better income-wise.

If the people are spendthrift the Government is no better for its rapidly increasing revenues. The State Bank says the overall budgetary deficit of the Federal and Provincial Governments in 1983-84 was Rs 24.2 billion, denoting an increase of 10 per cent over the budget estimates. The Government had to resort to borrowing from banks which largely means printing of notes for Rs 6.24 million last year, showing an increase of 3.6 per cent over the budget estimates.

The budget deficit widened as the external resources available for budgetary support last year was only Rs 5.67 billion instead of the estimated Rs 8.29 billion. So even when the Government's borrowing from the non-bank sector — particularly through Khas certificates, Prize Bonds and other national saving schemes — increased by 60 per cent over the estimates, the budget deficit became larger.

"Government savings have been rather erratic in the past and need to be stabilized on a rising trend," says the SBP report. It advocates

improvement in tax elasticity through changes in the tax structure, better collection of existing taxes and more efficient use of the resources by spending agencies. But this cautious advice in mild language is easier given than seriously taken. In fact, it is an annual ritual of SBP reports.

The Government cannot complain of a poor annual rise in net Federal revenues as they rose in five years from Rs 26,142 billion to Rs 61.89 billion last year — an increase of about 133 per cent. In the past the Government used to resort to heavier taxation with the plea that it was needed to finance development, and as the nation was not saving much such compulsory saving was imperative to finance development. But painfully for the nation even the revenue budget is showing deficit for the last two years. The deficit rose from the estimated Rs 1,012 million last year to a real Rs 2,457 million, and the current year's revenue deficit before additional taxation, is Rs 4,073 million. If the current government expenditure goes on rising in the manner it has been such deficits are inevitable.

The third sector which ought to save for more is the business and corporate sector. Corporate savings are undoubtedly improving because of the increase in the number of companies and expansion of the commercial and industrial activities. But their performance is still far below previous levels, says the SBP report.

## Sick mills

With too many sick mills and a chronically ailing textile sector, and a third of the companies listed on the Stock Exchange not to declaring any dividend for the last five years, the savings performance of this sector has to be poor. But the basic question is: is this sector really losing so much money and making so little overall profits? How large is the gap between the declared and real profits? How much of the profits are hidden to evade taxes and sharing them with the minority share holders or to avoid repayment their large bank loans? And how much of the money is go-

ing abroad to set up larger alternative invest pockets as a safety net for the managements? Only elaborate and careful study by competent and honest men can throw enough reliable light on such extensive underground operations.

To what is the high living by the affluent in Pakistan leading to? While exports increased nominally last year by 1.6 per cent to 2.67 billion dollars, imports rose by 6.9 per cent to 6 billion dollars. So the trade deficit jumped from 2.99 billion dollars to 3.33 billion dollars last year. We have now a deficit which is around 125 per cent of the total export earnings, which is too critical. As a result, the current account balance of payments deficit rose to one billion dollars from 517 million dollars in the preceding year.

If that is the picture of deficits even after receiving 3,048 million dollars as home remittances last year, what would happen to the economy if the home remittances go on shrinking because of the recession, and employment policy and development programme changes in the oil State? So the SBP urges the nation, from the government to the householders to save more.

But the reality has been far different. The fifth Five-Year Plan envisaged domestic savings to rise from 7.8 per cent in 1977-78 to 12.5 per cent last year; but what we got was 5.8 per cent after it had hit an all time low of 3.7 per cent in the preceding year. The SBP report has now revised the domestic savings figures for the last six years somewhat upwards now without explaining the reasons, or new factors discovered.

The fact is that if taxes increase at one end and prices at the other, and simultaneously the life style of the well-to-do goes up all the time domestic savings have to be low. Hence our savings rate is lower than in India or Sri Lanka, while we pride in having the highest per capita income in the Subcontinent. With a per capita income 25 per cent higher than India's we have a domestic savings rate which is a fourth of India's. The gap lasts, and instead of getting better often gets worse.

Prices rose last year substantially despite the fact that monetary expansion was only 11.4 per cent compared to 25.3 in 1982-83, domestic credit expanded by only 13.5 per cent compared to 16.3 in the preceding year, and imports jumped by 6.9 per cent to 6 billion dollars. Speaking only of official figures, the increase in Consumer Price Index last year at 8.4 per cent was nearly double the rise in the preceding year, and the wholesale price rise at 10.5 per cent, and rise in the Sensitive Price Index by 9.9 per cent were nearly thrice the increase in the preceding year.

## Consumerism

Normally with the fall in output of cotton by 38.4 per cent, wheat by 11.8 per cent and rice by 3 per cent along with reduced money supply and credit expansion there ought to be less money to spend and the price rise ought to be modest. That is not the case in our midst. If some people have less money to spend a lot more have far more to spend, regardless of whether that income is legal or illegal. When conspicuous consumerism becomes the norm such carefree spending becomes common and the normal economic laws have to take a back seat.

How can one save much in a country where because of paucity of public transport the people have to acquire their own vehicles from cars to motor cycles at giddy prices

for a poor country? And will not the savings become lower if for lack of normal public entertainment and amusements people have to buy TV and then colour TV, and now as TV has become too tedious or awfully boring, except for some shows, too many persons are buying VCRs?

And are not people preferring large houses for their kids to play for want of playingfields and parks and hence spending more on houses? And are not more people forced to have telephones at home even when they cannot afford them as public telephones hardly exist, and if they do, they do not function. Are not some people forced to buy books beyond their means as there are no public libraries?

Domestic saving is more than a simple economic issue in Pakistan. The official media cannot go on promoting luxury consumption, particularly the imported, while the finance minister protests against the same waste indignantly. It is a socio-economic issue which has its origin in our tribal and feudal background, and in the kind of political pattern which has been obtaining in the country for long. These trends have to be reversed and held in check if the country has to have larger savings as the remittances erode fast, and the economy is to be placed on sound foundations and economic development fueled steadily. We do not become rich by imitating the weakness of the rich, but by earnestly and rationally working for it.

# LETTER WRITER DESCRIBES CONDITIONS IN HYDERABAD JAIL

Lahore VIEWPOINT in English 6 Dec 84

[Text] You know only about the condition of political prisoners in the Punjab-- in the Kot Lakhpat and Rawalpindi jails. But there are prisoners elsewhere, too. We are thankful to the courageous lawyers of Lahore, like Ch. Khalid Mahmud, Bashir Zafar, Afzal Haider, Abid Hasan Minto, and Aitzaz Ahsan, for their struggle for democracy and human rights. The Lahore High Court Bar Association leads all the four provinces of Pakistan.

Political prisoners (especially those belonging to the MRD) are maltreated in Sind jails. To give an example: on September 17, when the Central Jail, Hyderabad, had been locked up, about 80/90 prison functionaries entered the 'B' ward and the student ward and beat up the detenus. Those manhandled included: Dhani Bux Malkani, Dost Ali Rind, Mohammad Nooh Sebto, and Hasan Rajar. They were kicked and clubbed, and their moustaches were pulled. One had heard that the jail officials involved in this incident were known for their cruelty to ordinary prisoners but no one could believe that they would dare to beat up political prisoners. After the above mentioned detenus had been beaten up, their clothes were torn and they were confined to the punishment ward in almost a naked state. They were not allowed to receive water or food for many hours.

Subsequently, the jail doctor visited the detenus and made entries of their injuries in Register No 32.

Two days later, the I.G., Prisons, visited the jail and on that date the political ward/rooms were opened and all the detenus were removed to the punishment ward. No interviews were allowed from Sept. 18 to Sept. 27. The detenus were compelled to resort to hunger strike from Sept. 18 to Sept. 27. Their demands were:

- i) The detenus be allowed to send a complaint to the Sind High Court;
- ii) that a judicial inquiry into the incident be held by a judge of the High Court;
- iii) that proper medical facilities should be extended to the injured and those on hunger strike;
- iv) that the security of the prisoners' life should be guaranteed.

These demands were not accepted by the authorities. Instead, 70 political prisoners were transferred to the Special Prison, Nara, Hyderabad, and one detenu was sent to D.K. Khan.

The relatives of the detenus who were beaten up later on approached the Sind High Court. Sardar Sherbaz Mazari wrote to the Sind Governor, who said in reply that he had appointed Justice Ghaus Ali Shah, Minister for Local Bodies to report on the matter. Mr Ghaus Ali Shah reported that no incident had taken place in the Central Jail, Hyderabad. God alone knows how he had conducted his inquiry.

After the Thori incident, conditions at the Central Jail, Hyderabad, deteriorated further. The detenus were beaten up and kept in fetters.

Two detenus, Yousuf Khan Jakhrani, President of NDP (defunct), Sind, and Saifullah Pathan, Advocate, who were arrested in August 1983, have been lodged in Special Jail, Nara, Hyderabad. On Nov. 12 last their period of detention was extended to Feb. 12, 1985.

I hope you will publish this letter, so that proper action can be taken-- Mohammad Amin Khatak, former Information Secretary, NDP (defunct), Sind. Hyderabad.

CSO: 4600/177

## FACTORS INHIBITING FOREIGN INVESTMENT ANALYZED

Karachi DAWN in English 29 Dec 84 Business Supplement p I

[Article by M. Ziauddin]

[Text]

**NO SIGNIFICANT** improvement is expected in the rate of foreign investment in the country at least for the next three years. Even those multinationals which have had the experience of operating in Pakistan and which were inclined to boost their interest are reported to have once again adopted the attitude of "wait and see".

Foreign investors reportedly continue to view Pakistan as a "high risk" area. With the Iran-Iraq war showing no signs of ending, tension on Pak-Afghan borders escalating to the point of serious border violations, Indo-Pak relations taking an ugly turn in recent months, foreign investors reportedly feel rather uncertain about investing in Pakistan.

**'Peanuts'**

According to independent economic experts it is not only the existing geopolitical situation which the foreign investors take into account. They believe that foreign investors would have countervailed this risk if they had been assured of some quick bucks in return.

Explaining this, they said that for the multinationals the Pakistani market can be best described as "peanuts". On the other hand, the fiscal and monetary policy regula-

tions obtaining in the country and the lack of any long-term labour policy make rather bleak for them the prospects of exploiting the "local advantages" for export possibilities.

Above all, the process of Islamisation of the economy, which is expected to graduate from the experimental stage to application stage from next year, is reportedly making it difficult for the foreign investors interested in investing in Pakistan to take a firm decision.

In this connection, these experts said, foreign investors will be watching very closely to see how Pakistani investors respond to the new system.

**Major query**

In fact the one major query of foreign investors, which nobody has been able to answer so far, has been why the Pakistani private sector itself is not coming forward to exploit the economic potential which exists in Pakistan.

These experts said that Pakistanis would view the official claims about tremendous improvement in the rate of private sector investment in the last two years with a degree of naivety.

The foreign investor, who is a hardboiled business man, would, however know that the official/private sector investment rates were inflated to 12 per cent and 22 per cent in 1982-83 and 1983-84 respectively by adding the unreliable data about small scale industries and the investments going into farming which upto 1981-82 were

never reckoned in computing the rate of private sector investment.

### Sluggish years

For the sluggish rate of investment in the private sector during the last seven and a half years, independent economic experts blame the economic managers of the country, who used the nationalised banking sector to serve their narrow purpose and diverted valuable resources which otherwise should have gone to the private sector to mostly un-economic activities of administration, law and order and security.

These experts warned that with the conversion of the entire banking system to the Islamic mode of operation, the need of the hour was to immediately allow the establishment of banks in the private sector.

Otherwise, they apprehended, a process of indirect nationalisation of the economy would set in immediately following the introduction of Islamic banking.

Explaining the point further, they said that in the Islamic banking system the bank will be transformed from creditor to partner. And since the banks are nationalised, the partner in effect will be the government whose working is known especially to the private sector. The private sector would not feel like going into partnership with an entity whose business acumen, market understanding and financial handling has always remained a matter of controversy.

### Intervention

Those who doubt the sincerity of purpose of the policymakers with regard to Islamisation of economy allege that the policymakers will actually use the process to further expand government intervention in the economic activity.

In the Islamic system of finance the return on investments will no longer be a pre-determined fixed rate but will be variable depending upon the profits earned by the units. Since the return will be risk-related the nationalised banks and financial institutions will use the pretext to assume finally the role of managers of units thus for all intents and purposes excluding the

role of the entrepreneur.

In the opinion of independent economic experts, the Islamic banking system could only flourish and help in promoting economic activity if the banking institutions were to be totally in the hands of the private sector with the State Bank watching over, them to see if they confirm to the rules of the *sharia* in its operations.

If the government did not take this measure, alongwith the total conversion of banking into Islamic system, then it would be accused of using the name of Islam to further tighten its hold over the economy, leaving no room for the private sector to operate even in wholesale and retail trading.

In view of the fact that in the Islamic system the banks will be operating on the basis of equity in all cases, except in the case of *qarz-i-hasna*, it is suggested that the emphasis must now be on promoting specialised bank's for example, on the lines of Agricultural Development Bank of Pakistan, but in the private sector.

### Specialised knowledge

It is believed that general commercial banks would hardly be able to operate in the new system where the bank would not only need to have specialised knowledge about the subject of financing but also about the particular industry or trade for which it was providing finances and in manufacturing or selling of which it had become a partner.

In this connection, it is suggested that efforts must be made to encourage the establishment of specialised banks such as export import bank, chemical bank, engineering bank, electronic bank and the like in the private sector.

Independent economic experts believe that in the absence of private banking, and that too on specialised lines, the operation of the Islamic banking system would only result in further nationalisation of the country's economy.

They further believe that if this appears to be happening in the first year of the operation of Islamic banking system, then the country would have to give up hopes of attracting foreign investors for many years to come.



## COMMENTARY DISCUSSES ANNUAL ECONOMIC REPORT

Karachi DAWN in English 27 Dec 84 p 7

[Text]

TWO FACTORS which dominated the economy in the 1983-84 fiscal year and made their impact felt adversely were the shortfall in the production of cotton, wheat and rice, particularly the first, and a fall in remittances sent home by Pakistani workers abroad. The 1983-84 annual report of the State Bank of Pakistan, which has just been released, mentions that the fall in private unrequited transfers — mainly home remittances — added to the already existing pressure on the balance of payments position, leading to a near-doubling of the current account deficit and a fall in the country's gold and foreign exchange reserves. This fall in remittances was no doubt a factor in the decline of the ratio of national savings to GNP, which fell to 12.3 per cent from 13.9 per cent in 1982-83. The State Bank report also names the fall in the growth rate of real net factor income from abroad as a major cause behind the fall in the growth rate of GNP, which declined from 7.8 per cent in 1982-83 to 4.6 per cent in the year under discussion. On the other hand, the fall in the growth rate of GDP — to 4.5 per cent from 6.1 per cent in the previous year — has been attributed to the commodity producing sectors, and can be further narrowed down to the

poor performance in the agricultural sector. Value-added in the agricultural sector declined 4.6 per cent in 1983-84, against a growth of 3.7 per cent in the previous year. There was a slow-down in the manufacturing sector also, part of the reason being a decline in the production of cotton yarn and cotton cloth.

Both agricultural production and the volume of home remittances by Pakistani workers abroad are to an extent impervious to intervention: if the weather fails, for instance, only so much can be done to ensure a good crop. Nevertheless, some steps are certainly possible and if taken in time, they can do much to reduce the impact of an unfavourable situation. It is not surprising, therefore, that the State Bank has stressed on some of these. Putting across its opinion mildly in view of the real situation, it suggested that extension services and crop protection measures ought to be strengthened, and a task force capable of dealing with pest attacks on an emergency basis should be set up. Considering the situation as it prevailed last year in respect of the cotton crop, this is certainly necessary. No one in the Government seemed to have had any idea at the critical time last year of what really was going

on — or if officials were in the know, they preferred not to admit that the cotton crop had been badly affected. This ignorance suggests that carelessness was present throughout, and that measures that could have been taken to salvage the situation somewhat were not employed. The suggestions made by the State Bank — and other steps — should be looked into in order to ensure that crops are adequately protected against mishaps, and the adverse impact of pest attacks or bad weather is reduced as much as possible.

Similarly, the matter of home remittances is also of great concern. Warnings had been sounded earlier that the situation has changed and is no more as rosy as had been painted by planners, and this has been borne out by the performance in the last fiscal year. Some steps can certainly be taken to attract remittances from overseas workers, or to mobilise savings which they might have invested elsewhere, but there are obviously limitations to what can be achieved, since economic and employment policies of other countries are involved. Under the circumstances the State Bank has quite rightly stressed the need for increasing domestic savings, as

well as exports, to offset the effect of the expected fall in remittances. The very low rate of domestic savings had earlier been offset to quite an extent by inflows from abroad, but as seen in the last year, these might be drying up, or at least stabilising at a much lower level. At the same time, the ratio of domestic savings to GDP also declined last year, to 5.2 per cent from 6.8 per cent in 1982-83. It should also be pointed out that inflationary pressure increased considerably last year — the Consumer Price Index rose by 8.4 per cent compared to 4.5 per cent the previous year, whereas the Sensitive Price Indicator rose by 9.9 per cent, against 3.7 per cent the previous year. Adroit financial measures have to be taken to increase domestic savings in inflationary times, since it is difficult to mobilise savings during such periods. It is not impossible, though, if appropriate measures are taken — the first of which is a positive real deposit rate. What emerges from the review of the last fiscal year is that while the economic status quo, so to speak, has been disturbed for the worse, it has not gotten out of control. Certain measures, some of which have been discussed, can be taken to improve matters and ensure growth in the future.

# LOAN FOR FURTHER DEVELOPMENT OF CHASHMA PROJECT GRANTED

Karachi DAWN in English 28 Dec 84 Business Supplement p 1

[Text]

MANILA, Dec 27: The Asian Development Bank has approved SDR 39.653 million (dollar 40 million) loan for Pakistan for the Chashma command area development project which will help expand agricultural production and improve social and economic conditions for rural dwellers.

According to a Bank announcement the total cost of the project is estimated at dollar 71.5 million, of which dollar 34.2 million is the foreign currency cost and dollar 37.3 million the local currency cost.

Approval of the loan is, however, subject to the condition that the loan shall be signed when sufficient financial resources are available from the Asian Development Fund.

ADF loans have a nominal service charge of one per cent per annum, and are repayable over 40 years including a grace period of 10 years.

## Location

The project is situated in the North-West Frontier Province (NWFP), region of the country which is predominantly agricultural.

The region, however, has a food deficit because of inadequate irrigation, lack of drainage and increasing soil salinity.

The 58,070 hectare project area covers the stage-1 area served by the bank — financed, ongoing Chashma Right Bank Irrigation Project (CRBIP). It also incorporates the 42,210 hectare Paharpur area under the bank — financed ongoing on-farm water management project (OFWMP).

The project approved today will provide drainage facilities in existing and potentially waterlogged area, and additional agricultural components, such as, the construction of new water courses on 15,860 hectares not being served by the Paharpur OFWMP. These drainage and agricultural components will complete the infrastructure required for full and timely actual of agricultural benefits under CRBIP and Paharpur OFWMP.

CSO: 4600/207

## JAPAN TO MODERNIZE QURAN GALLERY

Karachi DAWN in English 28 Dec 84 p 10

[Text]

KARACHI, Dec 28: According to an agreement signed between Pakistan and Japan, the Quran Gallery of the National Museum of Pakistan in Karachi will be reorganised and re-displayed using modern techniques at a cost of 50 million Japanese Yen approximately Rs 2.7 million.

The Japanese authorities will do the complete job of reorganisation work by bringing their own experts, material for the display of 57 copies of Holy Quran, out of a collection of over 350 copies at the National Museum.

The work is expected to begin in March and will be executed in chronological order — oldest, newest and script wise.

The display will be in such a manner so as to show the origin and development of Quranic calligraphy with specimen of each type of character in one of the sections.

There would be bilingual labels in Urdu and English, mention of place of transcription. There will be one Quran in one show case and the whole display will be divided in four sections.

At the entrance to the reorganised Quran Gallery, there will be huge size photograph of the Holy Kaaba and panoramic ancient mosques of Pakistan will also be displayed — Shahjahan Mosque, Badshahi Mosque, Maryam Zamani Mosque (Lahore Fort) and Masjid Mohabat Khan of Peshawar.

The work of re-organisation will be executed by a Japanese company, Sumitomo Corporation on be-

half of the Japanese government and the agreement was initialled in Karachi by its representative in Pakistan Mr Ken Chikarashi; and Mr Hidayatullah, Deputy Director of the National Museum of Pakistan on Dec. 23.

After the completion of Quran Gallery, Japanese assistance in reorganising the Islamic and manuscript galleries might also be taken up.

The whole idea was initiated during the last visit of President Gen. Mohammad Zia-ul-Haq to Japan.

APP adds: Under two separate agreements signed in Islamabad on Thursday Japan has offered a total of 1.64 billion yen (approximately Rs. 100.6 million) as grant assistance to Pakistan.

The agreements were signed by Mr Kenichi Yangai, the new Ambassador of Japan to Pakistan, and Mr Ejaz Ahmed Naik, Secretary General, Economic Affairs Division on behalf of their respective governments.

The first grant of 1.59 billion yen (approximately Rs 97.5 million) will be used by Pakistan for establishing a college of nursing and paramedical institute within the Islamabad Hospital Complex.

The second grant of 50 million yen (approximate Rs 3.067 million) will be used for the purchase of equipment for preserving the cultural properties, of Moenjodaro. This assistance is an evidence of Japan's continuing interest in the preservation of Pakistan's cultural heritage.

# MALDIVES LAUDS PAKISTAN'S HELP IN SETTING UP ISLAMIC CENTER

Karachi DAWN in English 28 Dec 84 p 2

[Text]

ISLAMABAD, Dec 27: Mr Abdul Sattar Muasa Didi, Minister for Fisheries of Maldives on Thursday expressed his country's deep appreciation to Pakistan for the assistance it provided for the Islamic Centre set up in Maldives which he said was designed to serve as fountain-head for knowledge seekers in the region.

He was speaking at a dinner hosted in honour of the visiting Maldivian delegation by the Federal Minister for Information and Broadcasting and Religious Affairs, Raja Mohammad Zafarul Haq here on Thursday night.

He said his government welcomed the valuable help provided by Pakistan, Saudi Arabia and other countries for the Centre as well as the grand mosque and considered it as a great encouragement in the measures undertaken by his country to serve the cause of Islam.

He said the knowledge flowing from these two places would bring qualitative change in the life of the people in his country and they would certainly prove themselves worthy to the task of spreading the message of Islam further.

Talking about the visit of the Pakistan delegation headed by Federal Minister for Information and Broadcasting and Religious Affairs Raja Mohammad Zafarul Haq to Maldives two months back he said exchange of such visits was highly useful for enriching the experience of people in both the countries.

Earlier in his welcome speech

Raja Mohammad Zafarul Haq said Pakistan was pleased to receive Mr Abdul Sattar Musa Didi who came from a highly friendly, hospitable and beautiful country inhabited by a hundred per cent Muslim population.

He said the people there were imbued with true love of Islam and sincerely wished to fashion their lives according to the dictates of Islam.

He said like Saudi Arabia it was virtually a crime free society. It consisted of 1200 Islands and all of them were like gems. The people were hospitable and had an innate love for Islam.

They were desirous of playing a bigger role for serving the cause of Islam.

Raja Zafarul Haq also talked of the role of Maldives in the world bodies and said they were playing a significant role in United Nations, OIC and other world forums.

The dinner was also attended by the Saudi Arabian and Sri Lankan ambassadors in Pakistan besides senior officials of the Foreign and Religious Affairs Ministries.

Also present were Federal Minister for Labour and Overseas Pakistanis, Mr Ghulam Dastgir Khan, the Punjab Law Minister Ch. Abdul Ghafoor and President of Moatamar Alam Al Islami Pakistan Syed Zafar Ali Shah, a Minister in the NWFP Cabinet.

Dr S.M. Zaman, Director-General Islamic research Institute of the Islamic University presented the Minister a set of publication of the Institute.

## BRIEFS

FORMER PUNJAB MINISTER ARRESTED--FAISALABAD, Dec 26--Chaudhry Talib Hussain, advocate, former provincial Minister and member Central Committee of the defunct Pakistan People's party has been arrested here on Wednesday from the District Court premises by the local CIA police. He has been arrested on the charge of taking part in the alleged political activities and lodged in the local District Jail under MLO-12. [Text] [Karachi DAWN in English 27 Dec 84 p 3]

DETENTION CRITICIZED--FAISALABAD, Dec 27--Chaudhary Khurshid Ahmad, advocate, Chairman Human Rights Committee, Faisalabad Division, has criticised the detention of Chaudhry Talib Hussain, former provincial Minister and an eminent local lawyer. In a statement, he said that the Government was detaining the people without any allegation and which was against the principles of Islamic social justice of which the present regime had been claiming credit. [Text] [Karachi DAWN in English 28 Dec 84 p 17]

URDU MAGAZINE FORFEITED--KARACHI, Dec 28--The Government of Sind has with immediate effect declared that all copies of the issue of Urdu monthly "Azad Baluchistan" for the month of May/June, 1984, published from London, shall stand forfeited to the Government under Section 39 of the Press and Publication Ordinance, 1963. The copies of the said issue contained highly objectionable material, according to a notification issued by the Sind Home Department. [Text] [Karachi DAWN in English 29 Dec 84 p 2]

NDP LEADERS RELEASED--PESHAWAR, Dec 28--Haji Ghulam Ahmed Bilor and Arbab Mohammad Humayun Khan, leaders of the defunct NDP who were placed under house arrest on Thursday were set free here on Friday by the administration. Farid Toofan, Information Secretary of the party, with about twenty others, however, continue to be confined in Mardan Jail. These include three lawyers of Swabi and workers of the defunct party. According to party sources, the provincial chief of defunct Pakhtoon Students Federation, Mian Iftikhar Hussain, who had also been placed under house arrest at Peshwar, was today transferred to the Mardan Jail. These persons had been arrested in connection with a Swabi Bar meeting which was originally to be addressed by the defunct NDP chief, Khan Abdul Wali Khan, placed under house arrest at Walibagh along with Begum Nasim Wali, the other day. Another party leader Mohammad Afzal Khan was also arrested reportedly to stop him, too, from addressing the Bar and a workers' meeting near Swabi. The release order to Mr. Bilor and Arbab Humayun were conveyed at their residences this morning, Mr. Bilor told this correspondent. [Text] [Karachi DAWN in English 29 Dec 84 p 3]

ASSEMBLY SEATS FOR KARACHI--KARACHI, Dec 28--Re-allocation of seats in the National and Provincial Assemblies on the basis of present population of Karachi has been demanded. In a communication sent to the Chief Election Commissioner, Mr. Mahfoozunnabi Khan, a Karachi Councillor, pointed out that the continuous migration of population to Karachi from rural areas calls for increase in number of seats of NA and PA. He said the population of Karachi now stands at 7 million and on the basis of it the number of seats should be increased. [Text] [Karachi DAWN in English 29 Dec 84 p 8]

CSO: 4600/208

END